DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1925

OFFICIAL REPORT

Editor: ALBERT HORTON Reporters: D. J. HALPIN, H. H. EMERSON Reserve Reporter: THOS. BENGOUGH

FOURTH SESSION-FOURTEENTH PARLIAMENT-15-16 GEORGE V



OTTAWA F. A. ACLAND PRINTER TO THE KING'S MOST EXCELLENT MAJESTY 1925

ACCORDING TO SENIORITY

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

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
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The Honourable		
PASCAL POIRIER	Acadie	Shediac, N.B.
SIR JAMES ALEXANDER LOUGHEED, K.C.M.G., P.C	Calgary	Calgary, Alta.
HIPPOLYTE MONTPLAISIR	Shawinigan	Three Rivers, Que.
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George Gerald King	Queens	Chipman, N.B.
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HENRY J. CLORAN	Victoria	Montreal, Que.
WILLIAM MITCHELL	Wellington	Drummondville, Que.
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L. George De Veber	Lethbridge	Lethbridge, Alta.
George C. Dessaulles	Rougemont	St. Hyacinthe, Que.
NAPOLÉON A. BELCOURT, P.C	Ottawa	Ottawa, Ont.
EDWARD MATTHEW FARRELL	Liverpool	Liverpool, N.S.
WILLIAM ROCHE	Halifax	Halifax, N.S.
LOUIS LAVERGNE	Kennebec	Arthabaska, Que.
JOSEPH M. WILSON	Sorel	Montreal, Que.

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SENATORS. DESIGNATION. POST OFFICE ADDRESS The Honourable BEN AMIN C. PROWSE..... Charlottetown..... Charlottetown, P.E.I. RUFUS HENRY POPE..... Bedfor !.... Cookshire, Que. JOHN W. DANIEL..... St. John St. John, N.B. GEORGE GORDON..... Nipissing..... North Bay, Ont. NATHANIEL CURRY..... Amherst Amherst, N.S. WILLIAM B. Ross..... Middleton. Middleton, N.S. EDWARD L. GIRROIR..... Antigonish Antigonish, N.S. 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, Ont. Welland.... GEORGE LYNCH-STAUNTON..... Hamilton..... Hamilton, Ont. CHARLES E. TANNER..... Pictou.... Pictou, N.S. THOMAS JEAN BOURQUE..... Richibucto..... Richibucto, N.B. HENRY W. LAIRD Regina..... Regina, Sask. Albert E. Planta..... Nanaimo..... Nanaimo, B.C. RICHARD BLAIN Brampton, Ont. Peel 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. GEORGE HENRY BRADBURY Selkirk Selkirk, Man. EDWARD MICHENER..... Red Deer Red Deer, Alta. WILLIAM JAMES HARMER Edmonton Edmonton. Alta. IRVING R. TODD..... Charlotte..... Milltown, N. B. JOHN WEBSTER..... Brockville..... Brockville, Ont. ROBERT A. MULHOLLAND Port Hope..... Port Hope, Ont.

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LORNE C. WEBSTER	Stadacona	Montreal, Que.
JOHN STANFIELD.	Colchester	Truro, N.S.
JOHN ANTHONY McDonald	Shediac	Shediac, N.B.
WILLIAM A. GRIESBACH, C.B., C.M.G., etc	Edmonton	Edmonton, Alta.
John McCormick	Sydney Mines	Sydney Mines, N.S.
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.
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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 (0.)	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	Moneton	Moncton, N.B.

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BARNARD, G. H	Victoria	Victoria, B.C.
BEAUBIEN, C. P	Montarville	Montreal, Que.
Bélque, F. L	De Salaberry	Montreal Que.
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	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.
BRADBURY, G. H	Selkirk	Selkirk, Man.
CALDER, J. A., P.C.	Saltcoats	Regina, Sask.
Casgrain, J. P. B	De Lanaudière	Montreal, Que.
Chapais, T	Granville	Quebec, Que.
CLORAN, H J	Victoria	Montreal, Que.
CROWE, S. J.	Burrard	Vancouver, B.C.
CURRY, N.	Amherst	Amherst, N.S.
DANDURAND, R., P.C.	De Lorimier	Montreal, Que.
DANIEL, J. W	St. John	St. John, N.B.
DAVID, L. O	Mille Iles	Montreal, Que.
Dessaulles, G. C.	Rougemont	St. Hyacinthe, Que.
DE VEBER, L. G	Lethbridge	Lethbridge, Alta.
Donnelly, J. J.	South Bruce.	Pinkerton, Ont.
FARRELL, E. M	Liverpool	Liverpool, N.S.
FISHER, J. H	Brant	Paris, Ont.

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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.
KEMP, SIR EDWARD, P.C., K.C.M.G	Toronto	Toronto, Ont.
King, G. G.	Queen's	Chipman, N.B.
LAIRD, H. W	Regina	Regina, Sask.
Lavergne, L	Kennebec	Arthabaska, Que.
Legris, J. H	Repentigny	Louiseville, Que.
L'Espérance, D. O	Gulf	Quebec, Que.
LOUGHEED, Sir JAMES A., P.C., K.C.M.G	Calgary	Calgary, Alta.
Lynch-Staunton, G	Hamilton	Hamilton, Ont.
MACDONELL, A. H., C.M.G., etc	Toronto, South	Toronto, Ont.
Martin, P	Halifax	Halifax, N.S.
McCoig, A. B.	Kent (0.)	Chatham, Ont.
McCormick, J	Sydney Mines	Sydney Mines, N.S.
McDonald, J. A	Shediac	Shediac, N.B.
МсНидн, G	Victoria (O.)	Lindsay, Ont.
McLean, J	Souris	Souris. P.E.I.
McLennan, J. S.	Sydney	Sydney, N.S.
ACMEANS, L	Winnipeg	Winnipeg, Man.
MICHENER, E	Red Deer	Red Deer, Alta.
Aitchell, W	Wellington	Drummondville, Que.
Iontplaisir, H	Shawinigan	Three Rivers, Que.
IULHOLLAND, R. A	Port Hope	Port Hope, Ont.
D'BRIEN, M. J.	Renfrew	Renfrew, Ont.
Pardee, F. F.	Lambton	Sarnia, Ont.
Planta, A. E	Nanaimo	Nanaimo, B.C.
Poirier, P	Acadie	Shediac, N.B.
Роре, R. H	Bedford	Cookshire, Que.

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ALPHABETICAL LIST

. SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
PROWSE, B. C	Charlottetown	Charlottetown, P.E.l.
Reid, J. D., P.C	Grenville	Prescott, Ont.
ROBERTSON, G. D., P.C.	Welland	Welland, Ont.
Robinson, C. W	Moneton	Moncton. N.B,
Roche, W	Halifax	Halifax, N.S.
Ross, J. H	Moose Jaw	Moose Jaw, Sask.
Ross, W. B	Middleton	Middleton, N.S.
Schaffner, F. L.	Boissevain	Boissevain, Man.
Sharpe, W. H	Manitou	Manitou, Man.
Smith, Е. D	Wentworth	Winona, Ont.
Stanfield, J	Colchester	Truro, N.S.
TANNER, C. E	Pictou	Pictou, N.S.
TAYLOR, J. D	New Westminster	New Westminster, B.C.
Tessier, Jules	De la Durantaye	Quebec Que.
THIBAUDEAU, A. A	De la Vallière	Montreal, Que.
Todd, I. R	Charlotte	Milltown, N.B.
Turgeon, O	Gloucester	Bathurst, N.B.
TURRIFF, J. G	Assiniboia	Ottawa, Ont.
WATSON, R	Portage la Prairie	Portage la Prairie, Man.
WEBSTER, J	Brockville	Brockville, Ont.
WEBSTER, L. C.	Stadacona	Montreal, Que.
White, R. S	Inkerman	Montreal, Que.
WHITE, G. V	Pembroke	Pembroke, Ont.
Willoughby, W. B	Moose Jaw	Moose Jaw, Sask.
Wilson, J. M	Sorel	Montreal, Que.

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BY PROVINCES

ONTARIO-24

SENATORS.

POST OFFICE ADDRESS.

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	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	Michael J. O'Brien	Renfrew.
13	Gerald Verner White	Pembroke.
14	JOHN D. REID, P.C	Prescott.
15	RT. HON. SIR GEO. E. FOSTER, P.C., G.C.M.G	Ottawa.
16	SIR EDWARD KEMP, P.C., K.C.M.G	Toronto.
17	Archibald H. Macdonell, C.M.G., etc	Toronto.
18	Archibald Blake McCoig	Chatham.
19	ARTHUR C. HARDY	Brockville.
20	FREDERICK F. PARDEE	Sarnia.
21	SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G	Toronto.
22	Andrew Haydon	Ottawa.
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QUEBEC-24

	SENATORS.	ELECTORAL DIVISION.	POST OFFICE ADDRESS.
	The Honourable	TROAT YE	
	HIPPOLYTE MONTPLAISIR	Shawinigan	Three Rivers.
	Alfred A. Thibaudeau	De la Vallière	Montreal.
	RAOUL DANDURAND, P.C	De Lorimier	Montreal.
	Joseph P. B. Casgrain	De Lanaudière	Montreal.
1	FREDERICK L. BÉIQUE	De Salaberry	Montreal.
	Joseph H. Legris	Repentigny	Louiseville.
	Jules Tessier	De la Durantaye	Quebec.
]	L. O. DAVID	Mille Iles	Montreal.
9]	Henry J. Cloran	Victoria	Montreal.
0 1	WILLIAM MITCHELL	Wellington	Drummondville.
1 (George C. Dessaulles	Rougemont	St. Hyacinthe.
2]	LOUIS LAVERGNE	Kennebec	Arthabaska.
3 J	Joseph M. Wilson	Sorel	Montreal.
4]	Rufus H. Pope	Bedford	Cookshire.
5 (CHARLES PHILIPPE BEAUBIEN	Montarville	Montreal.
6]	DAVID OVIDE L'ESPÉRANCE	Gulf	Quebec.
7 (George Green Foster	Alma	Montreal.
8]	RICHARD SMEATON WHITE	Inkerman	Montreal.
9 I	PIERRE EDOUARD BLONDIN, P.C	Laurentides	Montreal, Que.
0 7	THOMAS CHAPAIS	Granville	Quebec.
1 I	LORNE C. WEBSTER.	Stadacona	Montreal.
2 (GUSTAVE BOYER	Rigaud	Rigaud.
3			
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NOVA SCOTIA-10

	s	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	and the second second	1 There's Bossiers, P. S. a
1	EDWARD M. FARRELL		Liverpool
2	WILLIAM ROCHE		Halifax. (
3	NATHANIEL CURRY		Amhersi.
4	WILLIAM B. Ross		Middleton.
5	EDWARD L. GIRROIR		Antigonish. Economic a
6			Sydney.
7	CHARLES E. TANNER	A NEW AND	Pictou.
8	JOHN STANFIELD		Truro.
9	John McCormick		Sydney Mines.
10	Peter Martin		Halifax.

NEW BRUNSWICK-10

	The Honourable	
1	PASCAL POIRIER	Shediac.
2	George Gerald King	Chipman.
3	JOHN W. DANIEL	St. John.
4	THOMAS JEAN BOURQUE	Richibucto.
5	IRVING R. TODD	Milltown.
6	JOHN ANTHONY McDonald	Shediac.
7	FRANK B. BLACK	Sackville.
8	Onésiphore Turgeon	Bathurst.
9	CLIFFORD W. ROBINSON	Moncton
10		

PRINCE EDWARD ISLAND-4

	The Honourable	
1	BENJAMIN C. PROWSE	Charlottetown
2	JOHN MCLEAN	Souris.
3		
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BRITISH COLUMBIA-6

	SENATORS.	FOST OFFICE ADDRESS.
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2	Albert E. Planta	Nanaimo.
3	GEORGE HENRY BARNARD	Victoria.
4	JAMES DAVIS TAYLOR	New Westminster.
5	ROBERT F. GREEN	Victoria.
6	SANFORD J. CROWE	Vancouver.

MANITOBA-6

	The Honourable	
1	Robert Watson	Portage la Prairie.
2	WILLIAM H. SHARPE	Manitou.
3	LENDRUM MCMEANS	Winnipeg.
. 4	Aimé Bénard.	Winnipeg.
5	FREDERICK L. SCHAFFNER	Winnipeg.
6	GEORGE HENRY BRADBURY	Selkirk.

SASKATCHEWAN-6

1

	The Honourable	
1	James H. Ross	Moose Jaw.
2	HENRY W. LAIRD	Regina.
3	Wellington B. Willoughby	Moose Jaw.
4	JOHN G. TURRIFF	Ottawa, Ont.
5	JAMES A. CALDER, P.C.	Regina.
6	Archibald B. Gillis	Whitewood.

ALBERTA-6

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

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, February 5, 1925.

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

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

OPENING OF THE SESSION

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

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

I have pleasure in welcoming you to the fourth session of the fourteenth Parliament.

Since prorogation, the economic situation throughout the world has notably improved. For Canada, the year 1924 was a period of substantial progress. In trade alone, the excess value of exports over imports was more than \$260,000,000. The present year opens with prospects of sound and steady development. The financial and trade situation justifies the expectation of an early return to the gold basis. The problem of the cost of living is the most

The problem of the cost of living is the most important that my ministers have in mind at the present time, and every effort is being made to im-

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prove conditions with respect thereto. It is apparent that even the most rigid economy in public expenditures will not suffice to solve this pressing problem and the problem of taxation incidental thereto. Their ultimate solution lies largely in increased production and the development of new and wider markets. It is to be borne continually in mind that the existing burden of taxation is due mainly to uncontrollable expenditure in the nature of payments and obligations arising out of the War, and to the encumbered position of the National Railways.

To aid in an increase of production, through the development of our vast natural resources, every effort is being made to attract the right class of immigrants to Canada, and to secure their settlement in the undeveloped areas served by our great transportation systems. In due course steps will be taken to further colonization and settlement in other fertile regions such as those of the Peace River.

as those of the Peace River. The cost of production of raw materials and the necessaries of life has been lessened by the reductions in the tariff and the sales tax effected at the last session. It is becoming increasingly evident, however, that quite as important a factor as the customs tariff in their effect upon production and living costs are transportation costs and rates, by land and sea. It is the opinion of my advisers that the attention of Parliament at the present session should be directed more particularly to the desirability of effecting a freer movement of commodities through an equalization of railway freight rates as between provinces and localities, and through a lowering of carrying charges upon shipments by water of the products of the farm, the mine, the forest, the fisheries, and of our manufacturing industries.

Some measure of control of transportation by land and sea is obviously essential to the promotion of interimperial trade, the expansion of export trade generally, and the development of Canadian trade via Canadian ports.

The procedure it may be advisable to follow with respect to railway freight rates will in some measure necessarily depend upon the decision of the Supreme Court in the appeal respecting the Crow's Nest Pass Agreement. With regard to ocean freight rates, action is being taken to overcome the restraints on export trade due to the exactions of the powerful steamship combine known as the North Atlantic Steamship Conference. Your approval will be asked of a measure aimed at affording the Government of Canada a control of ocean rates.

It is the intention of the Government so to equip our important ports on the St. Lawrence route, and on both the Atlantic and Pacific coasts, as to enable them to meet all requirements of modern navigation.

To secure greater co-operation in the administration of the laws of the two countries respecting smuggling and the prosecution and extradition of persons violating the anti-narcotic laws of either country, treaties between the Dominion of Canada and the United States have been negotiated and signed. They will be submitted for your approval prior to their ratification.

REVISED EDITION

You will be asked to sanction the calling of a conference between the federal and provincial governments to consider the advisability of amending the British North America Act with respect to the constitution and powers of the Senate, and in other important particulars.

Your attention will also be invited, during the course of the session, to certain trade agreements, to legislation respecting the handling and marketing of Canadian grain and to other important matters.

Members of the House of Commons:

The public accounts for the last fiscal year, and the estimates for the coming year, will be promptly submitted. In the preparation of the estimates, regard has been had to the need for continued economy with respect to the public services and public works.

Honourable Members of the Senate:

Members of the House of Commons:

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.

RAILWAY BILL

FIRST READING

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

CONSIDERATION OF HIS EXCEL-LENCY'S SPEECH

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

ABSENT SENATORS

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to express in your name the sympathy of this House to the leader of the party that faces me, the Hon. Sir James Lougheed, who has from this seat for many years directed the proceedings in this Chamber. We all of us heard with regret of his illness. I saw him yesterday, and have much pleasure in announcing that I found him much improved. I hope that a few weeks by the seaside will bring him back to health.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: Some of our other colleagues whose health has not been as good as it might be are improving also, and when we meet again, after the first adjournment of the Senate, if not next week, I hope we shall find our happy family within these walls complete.

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

Hon. Mr. SPEAKER.

THE SENATE

Tuesday, February 10, 1925.

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

Prayers and routine proceedings.

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: Right Honourable Sir George E. Foster, the Honourable Messieurs Belcourt, Barnard, Daniel, Prowse, Robertson, Tanner, Watson, Willoughby and the mover.

EXPRESSIONS OF SYMPATHY

ILLNESS OF HON. SIR JAMES LOUGHEED-BEREAVEMENT OF THE SPEAKER OF THE HOUSE OF COMMONS

Hon. G. D. ROBERTSON: Honourable gentlemen, before the Orders of the Day are called, I crave an opportunity on behalf of honourable gentlemen on this side of the House to express our appreciation of the kindly and timely reference which our honourable friend the leader of the Government (Hon. Mr. Dandurand) made to the illness and absence of our beloved leader last Thursday. We rejoice particularly in the fact that the honourable member from Calgary (Hon. Sir James Lougheed), who has been temporarily laid aside through illness, is now convalescing. The feelings of both sides of the House were most fittingly expressed in the words of my honourable friend, and I felt that this was probably the best time to give expression to the appreciation of this side of the House of his remarks on that occasion.

While on my feet may I also say that I am sure I voice the feelings of the members of this side of the House in expressing our deep regret at the bereavement that has come to His Honour the Speaker of the House of Commons, and in saying that the sympathy of the members of this House goes out to him and to his family at this time. I would respectfully suggest that the leader of the Government should convey the sentiments of this House to that honourable gentleman in order that he may know of our sympathy for him at a time when probably sympathy brings some comfort.

Hon. Mr. DANDURAND: Honourable gentlemen, it will be with great pleasure that I will transmit to His Honour the Speaker of

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the House of Commons the expression of sympathy which has fallen from the lips of the honourable gentleman. I know that His Honour the Speaker will very highly appreciate the kind feeling which has been expressed by the honourable gentleman, and, which I am sure is felt by every member of this Chamber.

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. C. W. ROBINSON: Honourable gentlemen, in rising to make a somewhat formal motion of this kind, I may say that I took the opportunity of making rather extended notes, thinking that perhaps it would be better for me to confine my remarks within a narrow compass, and not to take up too much of the time of the House. I therefore crave the indulgence of the House if I refer rather freely to these notes.

I know enough of the time-honoured customs and courtesy of this august body to realize that ample allowance will be accorded me for any shortcomings or mistakes, and with that knowledge I am encouraged to proceed with the otherwise pleasant duty of moving an Address in Reply to the gracious Speech of His Excellency the Governor-General.

I realize too that one is hardly expected to make any argument for or against the policy of the Administration or the proposed legislation foreshadowed in the Speech. To do this would tax the patience of the honourable members at this particular time, if such were possible, and might easily be wide of the mark, as much of the legislation can only be a matter of conjecture until it comes before us in concrete form.

The Speech seems to me to sum up the situation in Canada to-day fairly well and to promise action along lines calculated to strengthen our economic position as a whole. The statement that the economic situation throughout the world has notably improved but reflects the conviction that trade and commerce are matters over which, even within the bounds of our own Dominion, our Government cannot exercise absolute control. The proverbial good times and bad times may be and no doubt are largely the result of the interdependence between the nations of the world, and such a condition becomes accentuated the more a country develops its foreign trade. Canada having a much larger foreign trade per capita than the United States is necessarily influenced to a correspondingly larger degree by the business conditions of countries where that trade is centred. The knowledge, then, that the conomic situation throughout the world has notably improved means probably more to the average Canadian citizen than the mere passing statement of an abstract condition. It means expansion and hopefulness, industrial development, less unemployment, increased agricultural production, a lessening of the transportation burdens, and will help to dispel the memories of the years of depression which have followed in the wake of the European holocaust.

The results in Canada during 1924 are, to a certain extent, but the corollary of the results all over the world. The excess of our exports over imports of \$260,000,000 means a healthy condition of trade which is unusually significant. When we add to this fact the recent statement that Canada's net debt decreased during January by the substantial figures of \$2,274,366 and the further statement that the buoyant character of railway traffic continues, each week exceeding the previous week, in the face of adverse weather conditions, we must conclude that our industrial, fiscal and transportation interests all show signs of convalescence and we hope will soon be firmly established in a position of unusual health and vigour.

The day after the opening of Parliament the reference to an early return to the gold standard was re-echoed at the annual meeting of Lloyd's Bank in London by J. Beaumont Pease, the chairman showing that the hope expressed by His Excellency is well within the range of reasonable probability and conforms to the opinion of the highest banking and financial men in the Empire.

The conditions of exchange are a source of bewilderment to the average citizen, but business men know that the uncertainties of the exchange market and the depressed condition of the money of some European countries, including Great Britain, have had a most injurious effect upon our foreign trade and in many cases greatly reduced the volume of our exports. As an example, our lumbermen of the Maritime Provinces and Quebec have for a long time been buoyed up with the hope that some relief from the trying conditions under which they have been operating may be afforded by the return of the pound sterling to par. The re-establishment of the gold basis will be the only guarantee of such a condition permanently assured. The announcement of Lloyd's chairman that "the only real problem for us is the precise date when we can safely re-establish a free market in gold," will therefore serve to strengthen

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the feelings of hopefulness which the Speech has encouraged.

The reports of our leading bankers and business men, and the opinions expressed by students of our economic system, all seem to agree fairly well on the sound position of Canada generally. While there are local depressions and weak spots, as there always are, the general situation seems to be one of steady, gradual, healthy and permanent growth and improvement. Since 1918 all our resources, as well as our nerves, have been sorely tried, but when we review these years from a political and economic standpoint we find much to be thankful for. We have been consolidating our resources and laying a good foundation on which to build. Our national railway system has been almost revolutionized. A number of bankrupt and disintegrating systems have become a unit with restored Lines of track which were in a bad morale from want of funds have been condition brought up to standard; rolling stock and equipment generally have been repaired and replaced; and we now have a well-equipped, well-manned system with good road bed ready for the traffic, which we expect to result from the generally expected growth and development of the country.

Hydro-electric development has been rapid all over the Dominion, and herein lies much of our confidence for the future. We have an abundance of this energy available in Canada: it seems almost impossible to overdevelop: the demand rapidily overtakes or The progress of mining outruns the supply. goes hand in hand with hydro-electric development, and in this regard 1924 has been an eventful year. The possibilities of the future along this line stagger the imagination. The vast pre-Cambrian shield which covers so many thousands of square miles of Ontario, Quebec, and the Western Provinces, coupled with the use of the water-power which nature has so lavishly provided at hand, promise for Canada a mining industry which will be truly colossal.

And not mining alone, but all the industries, the home and the farm, the conditions and the cost of living—all are benefited by such hydro development, whether by government or by private corporations.

And so it is that, notwithstanding the financial difficulties of both governments and individuals all through these difficult years, Canada has been putting her house in order, and to-day her potential position is immeasurably improved over what it was but a few years ago.

Hon. Mr. ROBINSON.

To govern under post-war conditions has been a most difficult task. To carry on with the minimum of friction, and so direct the helm of the ship of state that in spite of adverse winds and turbulent cross-currents we may gradually approach nearer the desired haven, has been no ordinary task. For any government to succeed is almost a miracle, and without any undue flattery I may express the modest opinion that the present Government deserves some meed of commendation for having so far successfully avoided the reefs and rocks which everywhere lay in the course of our voyage.

In referring to hydro-electric development I want to take opportunity to refer to investigations that have been taking place during the past year at the confluence of the Petitcodiac river with the Memramcook river in the Province of New Brunswick. We have there a very important and interesting power possibility which is unique and unlike any so far constructed in the known world, somewhat similar to proposed Severn barrage which is at the present time engaging the attention of the Government of Great Britain, and on which investigation that Government is spending about half a million dollars. There is the difference that the physical conditions in New Brunswick and the extreme rise and fall of the tide, averaging around thirty-five feet, make the cost per horse-power developed probably a mere bagatelle as compared with the cost of the proposed Severn development. I believe that there are great possibilities there, and that the feasibility of a development in connection with the Canadian National Railways should receive most careful study at the hands of the Water-power Branch of the Dominion Government. It is too huge a proposition for a small Province, and is as important to the Province of Nova Scotia and the Canadian National Railways as it is to New Brunswick. There is no record of any large development of tidal power, and the opportunities for such development are very unusual. No question of watershed, storage dams or rainfall need to be considered. As an advertising medium alone it might be worth while for Canada, and what would it mean to the Maritime Provinces that sadly neglected paradise of the Atlantic seaboard, to feel the impetus and the throb of a new life on the release of 200,000 horse-power now lying dormant and ready to respond to the advances of any daring and courageous Government.

The proposed legislation having for its object the equalization of freight rates by land and sea gives promise of remedying a real political malady which is seriously affecting

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the health of the body politic. With the unequal rates and in many cases what seem to be excessive rates affecting the operation of our railroads and restricting the trade of our seaports, we are in a condition economically very much like that of some human beings: we are suffering from a sort of arterial selerosis. As a result the whole system is affected. In the case of the individual the remedy is only partial, but in the case of a state it is possible to have a complete cure if the case is properly diagnosed and the physician gives the proper treatment. The transportation system both by land and water must function freely, thoroughly and scientifically in order to keep the health of the business of the state just as surely as a man's arterial system controls his bodily health.

Here lies a theme which has unusual interest to all parts of our country. It brings up to our minds the question of differentials, the Crowsnest Pass agreement, the whole field of railway operation and control, labour organizations, the development of our ports, branch lines, marketing our coal in Canada, marketing our wheat in Europe, and a host of matters of a more local nature. Down in the Maritime Provinces, that particular part of this Dominion where it is my good fortune to have been born, and most of the time to live and move and have my being, I sometimes think that we would be better off without such good transportation facilities between us and the rest of Canada. Most of the money which we earn from shipping lumber and fish to the United States is handed over to the manufacturers of Ontario and Quebec to pay for the goods which the Canadian National Railway hauls for them so cheaply while our own small industries languish and die; but that is a condition to which we have become accustomed. Maritime rights is a shibboleth to-day which spells trouble for almost any Government in power. Always a smouldering fire, it was kindled into flame by the removal of the Audit Office with its two hundred employees from Moncton to Montreal by the Canadian National Railway, coupled with the consequent unrest and fear of further action along that line. While willing to give the Management credit for a real effort to save cost of operation and bring co-ordination, I am not at all convinced that either object was accomplished by the change referred to. On the other hand, it has seriously affected the prosperity and happiness of quite a large community.

With this passing reference to local conditions, I return for a few moments to the question of rates of transportation. To properly round out our Dominion and

strengthen the bonds of union between the provinces, it seems of the utmost importance that the Canadian ports on both the Atlantic and Pacific seaboards should handle our foreign trade outside of the United States. On the Pacific coast there seems to be no problem. The Canadian trade goes naturally to Canadian ports to be there loaded into ocean-going steamers or sailing ships, either for the Pacific trade or the Atlantic trade as the case may be. On the Atlantic seaboard we have a number of good ports and harbours, some only open in summer, others the year round, and yet in spite of this fact we allow a very large part of our trade to contribute to the upkeep of ports in the United States as far south as New Orleans. In the meantime, our own ports of Halifax and St. John are allowed to languish.

I it any wonder, than, that we hear mutterings from the Maritime Provinces? There must be some remedy for this condition. During the war period we would have been in a sorry plight without these winter ports. Is it fair only to use them as a convenience? While it is true that goods will travel where rates are the cheapest, that to my mind points the way to the remedy, and the proposed legislation to control the water rates as well as the land rates opens up a land of promise to our people down by the sea. To make the rates such that the West may receive the very best results from the fruit of its toil will materially help that great part of our country, not to mention the benefits improved transportation rates to the of country as a whole; and to control shipments so that they must pass through our own ports will bring relief and hope to the citizens of St. John and Halifax in common with the other Atlantic ports of Canada.

I know nothing of the details of the proposed legislation beyond what has been foreshadowed in the newspapers, and I am merely pointing out the lines along which something may be done of vast importance to one of the oldest sections of our common country. It is a conrageous step and invites criticism, but I trust the object sought may not be lost sight of. Something of that nature is of vital necessity if the people of the Maritimes are not to lose all confidence in the good faith of the rest of Canada.

That particular part of the Speech which foreshadows a conference between the Dominion and all the Provinces of Canada for the purpose of considering amendments to the British North America Act is not an unusual procedure. There have been various amendments in the past, and some of those amendments were made, I believe, without

taking all the Provinces into consideration. This method to my mind is rather a dangerous one. About the year 1912 there was a readjustment of subsidies to some of the Provinces. Manitoba was the largest bene-ficiary at that time. The Province of Prince Edward Island, the Garden of the Gulf, by reason of its often importunities, received an extra \$100,000. Other Provinces thought they had good claims, but I have never discovered that they were even consulted. Extensions of boundaries have been made in the case of both Ontario and Quebec, and I wonder if there was any conference at that time. There are no doubt many questions which various Provinces will want to have discussed at this interprovincial Dominion gathering. I have in mind some problems which I know are in the minds of some of the Provinces, and a thorough discussion ought to do a whole lot of good.

As to the reform of the Senate, my length of service in that body does not fit me very well to proffer any advice. I should suppose that no great harm could come from following the experience of the mother country in the reformation of the House of Lords. From observation during my short experience in this Chamber I have been struck with the conspicuous ability displayed by the leaders and many of the supporters on both sides, if there are really two sides in this Chamber. I suppose it is hardly possible to expect experienced politicians to at once lay aside every suspicion of partizanship upon passing through the portals of the Senate, but the more successful we are in doing so the more we will no doubt contribute to establish our position in the country as an honourable and useful body. Like the emergency brake on the automobile, the time for independent action may not often arise, but when it does it may avoid a catastrophe.

Democratic government under the aegis of the British Crown is probably the best this old world has ever devised, and the bicameral system has never yet been successfully supplanted by any other scheme. There are weaknesses of many kinds in that system and no doubt there always will be. If we could institute a reform in the qualification of the members of both Houses, so as to have only real students of political economy eligible, it might be a good thing.

In dealing with the body politic, there is an analogy in the method of dealing with the human body. In a way we are a college of political physicians and surgeons attempting to diagnose and to cure without any special qualifications in many cases. If we **Hon. Mr. ROBINSON.** were to establish some such qualifications and compel all who would be politicians to pass a proper test before being enrolled upon the register, what a change there would be in the methods of conducting Parliament, what a reduction there would be in the pages of Hansard, and how the demagogues would scream—but why indulge in idle dreams about reformation?

I have the honour to move, seconded by the Honourable Mr. Tessier:

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.

Hon. JULES TESSIER (Translation): I have the honour to second the motion for an Address in reply to the Speech of His Excellency, and I request the indulgence of this honourable House.

After the difficult years through which we have passed, it is gratifying to hear His Excellency announce that progress has been made in our foreign trade; that we have considerably decreased our imports and increased our exports, and have an excess in our favour of \$260,000,000. All economists predict that business will improve in 1925.

This opinion is shared in New York and London. A crisis has been experienced in the textile industry in Canada, but it has been less acute than that which has prevailed in England and the United States, where some of the cotton factories have been closed, while ours are working under better conditions. We now see that Canadians, who for a few years have been attracted to the United States by the inducement of higher wages, are returning in rather large numbers.

The condition of the farmers, in the West as well as in the East, is improved, and if only there is a good crop this year the purchasing power of our people will restore the activity of our industries.

If industrial and agricultural prosperity prevails, it will be of great advantage to our railways and our seaports.

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The people of the West have long complained of the difficulty of access to the sea, because of the great distance their products have to be hauled. The opening of the Panama Canal and the equipment of the Port of Vancouver will enable Alberta to make use of this nearer outlet, which is open all the year round, for the shipment of its products at a more favourable rate. The products to be shipped from Saskatchewan and Manitoba to Europe can be, in our opinion, transported more profitably on the Transcontinental via Quebec.

The Government's programme indicates its intention to equalize freight charges, to control ocean rates, to improve the facilities of our harbours on the St. Lawrence, the Atlantic and the Pacific. Attention is to be devoted also to the question of immigration and the encouragement of colonization in the Peace River District. I may mention also the announcement of a conference between the Federal and Provincial governments to consider the amending of the constitution of the Senate.

The carrying out of the programme outlined is full of promise for the future.

When it is borne in mind that our dollar, like that of the United States, is at par, while the pound sterling is still depreciated and the franc of a rich and economical country like France is worth only one-third of its normal value, we ought not to be too pessimistic. Why is it, though, that in spite of our favourable trade balance of \$260,000,000 business depression continues, there is still reluctance about risking capital in new enterprises, and, because of this lack of confidence, we have unemployment? Where is the money that has come into this country as a result of last year's surplus of exports over imports?

We have made the mistake of paying to the United States \$100,000,000 for their coal while we possess in this country an unlimited supply.

Furthermore, we have paid at least \$20,000,-000 to railways of the United States, to their vessels on the Great Lakes, to their elevators, to their stevedores and workmen, in connection with the transportation of our grain by way of Buffalo and New York, instead of sending it to our own ports by our own railways. This money is lost to the country, and this practice has been the cause of much criticism and dissatisfaction.

The official statistical report, reproduced in Le Soleil, of Quebec, shows the quantities of Canadian grain exported during the crop year ended August 31, 1924, as follows:

To the United States	Bushels	Bushels
for home consumption and milling To United States ports		21,000,000
via Buffalo, etc., for export To Montreal for export	61,000,000	141,000,000
To St. John for export To Quebec for export	9,500,000	73,000,000
To Vancouver for ex- port		54,000,000

289,000,000

Avorago

During the same period the freight rates from Fort William to the St. Lawrence and to Buffalo, respectively, have been as follows:

			bushel	
То	Montreal by water	$9\frac{1}{4}$	cents	
То	Quebec by water	$11\frac{1}{3}$	"	
To	Buffalo by water	2	"	
To	Montreal and Quebec by rail	21	"	

When the Transcontinental was first opened for traffic the rate from Fort William to Montreal and Quebec was 6 cents a bushel. The present rate of 21 cents being prohibitive, traffic has been diverted to the boats at Fort William, whence it takes the cheaper route to Buffalo and New York. As the ocean rate from New York to Europe is on the average 3 cents a bushel less than that from Montreal to Europe, and as there are more favourable terms for maritime insurance on the New York route, we are deprived of our legitimate trade. In failing to secure this enormous export business we are losing the profits involved in the handling of twothirds of our wheat shipments. It is an immense trade, equal in volume to the total exports of grain from Montreal.

There is nothing surprising in the fact that the farmers of the West and the people in our seaports are unanimous in their criticism of a system so disastrous. It was condemned by the Senate of Canada in June, 1922, after a thorough inquiry. It is compelling the producer to pay exorbitant rates and is taking away from our railways a revenue of fifteen or twenty million dollars, which might well be spent in providing a livelihood for our railway employees instead of those on the prosperous route between Buffalo and New York. Furthermore, this policy deprives our seaports, especially Quebec, Halifax and St. John, as well as Montreal, of a maritime trade which they have been justified in expecting since the Transcontinental

Railway was constructed by the Government in 1904. It was understood at that time that the grain of the West would be carried by rail to Canadian ports, which would be properly equipped to accommodate it. It is my belief that the proposal contained in the Speech from the Throne for the equalization of freight rates is an evidence of the intention to carry out the policy of Laurier and to remedy the present injustice. Why should we pay 21 cents a bushel for the hauling of wheat from Fort William to Montreal or Quebec, when the rate for an equal distance west of Fort William is only 11 cents?

As for the control of ocean rates, could anything be fairer than to recognize a saving in distance by making a proportionate reduction in the charges? But what do we find? Halifax is almost 700 miles nearer to Liverpool than is New York; Quebec is nearer by 500 miles, and Montreal by 350. Nevertheless the steamship combine, who make huge profits, charge 3 cents a bushel more to carry our wheat from Montreal to Europe than the rate from New York.

The Government is to be congratulated on having taken the intitiative for the control of ocean rates. Let us hope that it will prevail upon the insurance underwriters to charge equal insurance rates to vessels sailing in Canadian and those sailing in American waters.

As to the improvement and equipment of our harbours on the eastern and the western seaboards and on the St. Lawrence, it is evident that the trade will not be satisfied unless those ports are provided with all the facilities necessary to enable them to meet the requirements of modern navigation.

Grain production in the West is now eight times greater than it was twenty years ago. While there is need for rigorous economy in public expenditure, it must be remembered that the loss of our grain trade is as costly to us as it is profitable to our neighbours to the south. The solution of this problem is urgent.

That the Government is occupied in solving the problem is shown by the fact that at Vancouver, Prince Rupert and Montreal elevators and docks are in course of construction. Work for the improvement of the port is in progress at Quebec, which a few years ago turned over to the Government properties valued at two million dollars. I understand that the West and the Great Lakes country are equipped with elevators and warehouses having a storage capacity of 200,000,-000 bushels of wheat, while the eastern ports of Montreal, Quebec, Halifax and St. John can accommodate only 20,000,000 bushels.

Hon. Mr. TESSIER.

Buffalo is also very well equipped in this respect-partly, I am told, by the expenditure of Canadian money.

As to the harbour of Quebec, it suffers an injustice from the fact that the railway companies charge a higher freight rate on goods shipped there from Ontario or the West than they do on the same goods shipped to Montreal, alleging that they must receive additional compensation for the longer haul; while, on the other hand, the steamship companies charge on goods at Quebec the same rate as at Montreal. Thus the port of Quebec is placed in an unfavourable and unfair position as regards the "through rate," that is, the combined railway and ocean charges. though the total mileage is the same. Obviously this intolerable situation requires to be remedied.

By the construction of the National Transcontinental Quebec is brought 214 miles nearer Winnipeg than is Montreal. The railway was built for the purpose of uniting the provinces of the West and those of the East and opening a new route for the movement of western products to Europe, with Quebec as the eastern terminus.

The Transcontinental, though completed several years ago, has not yet been used for the transportation of grain. Let us hope that the time will come when this line, constructed at great cost and sacrifice, will be utilized to meet the requirements of steadily developing trade.

Quebec, being the summer terminus of the principal railway lines that traverse our country, and having one of the largest natural ports in America, owned by the taxpayers of Canada, is destined to accommodate in the near future a greater number of vessels of large tonnage sailing on the St. Lawrence route. The biggest ocean-going vessels can enter that port at any stage of the tide.

The prosperity of the port of Quebec has been retarded for many years by the lack of facilities and by the prohibitive rates charged by the transportation companies. The Gov-ernment, by means of the proposed developments at Wolfe's Cove, will remove one of these drawbacks. It is hoped that in the readjustment of railway rates on goods for export, as announced by the Government, justice will be done to the port of Quebec. In that way the Government will help to place that port on a solid business basis and enable it to compete on an equal footing with other Canadian ports.

It must not be forgotten that the harbours of Quebec and Montreal are both necessary in the transportation of Canadian products by

the St. Lawrence route, and that the traffic originating in Canada is ample to keep these fine ports working at full capacity without hampering each other.

Statistics prove conclusively that more than half the wheat crop of Canada is shipped each year by United States ports.

The Canadian West has been supplied, in the course of years, with grain elevators having a total capacity of about 200,000,000 bushels, whereas the elevator capacity at eastern Canadian ports is about 20,000,000 bushels. The natural consequence is that, as this grain must be shipped within a limited time, the port facilities in the East are inadequate to meet the needs; therefore the grain is shipped to the Atlantic by United States railways. It can be said without exaggeration that during the last ten years Canada has paid to United States railways and lake vessels, in transportation costs, more than \$60,000,000 which could have been well spent in our own country if the grain had been shipped via Canadian ports. The only way to remedy this abnormal situation is to equip our national ports adequately to enable them to meet the requirements of traffic originating in Canada.

The proposed equipment of the port of Quebec to accommodate vessels of large tonnage has received the approval of the different navigation companies and railways in Canada. The following resolution adopted by the Shipping Federation of Canada on March 19, 1924, requires no comment and completely justifies the projected improvements:

The Memorial of the Shipping Federation of Canada, incorporated by Act of Parliament of the Dominion of Canada, who own or represent 977,799 gross tons of ocean and coasting shipping trading to the St. Lawrence route, with a capital investment of many millions of dollars, a considerable portion of which is for Canadian account.

(1) Whereas the accommodation at the port of Quebec for the larger class of vessels is entirely inadequate and the draft of water available will not permit using ports above Quebec, and (2) Whereas the berths available for ocean going

(2) Whereas the berths available for ocean going vessels at the port of Quebec are now all allotted for the coming season of navigation and accommodation is unavailable for any other vessels which may desire to trade to Quebec, and

(3) Whereas at the present time a large Passenger Liner Company is seeking accommodation for its vessels at the port of Quebec and none is available, and

(4) Whereas fully two-thirds of passengers and cargo arriving at the port of Quebec is destined to other provinces in the Dominion, and

(5) Whereas the St. Lawrence route is the principal artery of the trade and commerce of the Dominion, and any trade diverted to ports to the south of us through failure to provide adequate accommodations would be a national loss, and

(6) Whereas the Government have already spent large sums of money in improving our aids to navi-

gation, and increased trade which has resulted therefrom during the past twenty years has fully compensated the Country for the expenditures made, and

(7) Whereas the travelling public prefer to go direct to or from their homeland or their intended protracted sojourn without passing through foreign territory, and

(8) Whereas your Memorialists have had submitted to them by the Quebec Harbour Commissioners a general plan providing for the present and future requirements of the Port of Quebec which has received the unanimous endorsement of your Memorialists, and (9) Whereas your Memorialists feel reluctant in re-

(9) Whereas your Memorialists feel reluctant in recommending this plan to the Government at such a time of financial stringency, but, nevertheless, are strongly of the opinion that unless Canadian routes are developed to the fullest extent possible, there is danger of Canada losing trade to competing ports to the South of us, where immense sums of money are being expended annually in providing modern ocean terminal facilities.

Wherefore your Memorialists are of the opinion that an appropriation should be granted to the Quebec Harbour Commissioners to enable them to commence this national work as it may be pointed out that the matter is urgent when it is considered that it will take five years before any of the additional berths can be provided for the use of ocean traffic. Furthermore, your Memorialists have the greatest confidence in the present Board of Harbour Commissioners and feel that any money voted by the Government will be judiciously spent in providing accommodation for the present and future needs of the port of Quebec.

Canada is a vast country, and we have been dazzled by the West, which has inspired our statesmen with hopes that have been perhaps too brilliant. Consequently, after the acquisition of those territories by our Dominion we hastened to construct, at enormous cost, lines of railway the operation of which will weigh heavily on the taxpayers of Canada until there is sufficient population to provide traffic for them by its labour and its produce. For this reason the Government has declared its intention to encourage immigration. It apparently intends to invite newcomers to settle in the Peace River valley, which is said to be one of the most fertile regions in the Northwest. Let us hope that these immigrants will be selected with care, so that they may prove to be an active rather than a passive element in our community. The other day, in the course of a visit to Quebec by a large number of citizens of Ontario desirous of promoting mutual good-will, I heard a broad-minded gentleman, Rev. Mr. Bruce Taylor, express his appreciation of the method of colonization adopted by the French Canadians, who came in groups with their priests and with them implanted principles of morality and religion, which enabled them to lead happy lives while carrying on their arduous toil. He said that he, a Protestant minister, was pleased to see the establishment of such agricultural groups, which formed a solid basis for a nation. In reading over the early pages of our Canadian history it will be seen that the first settlers that France sent to our shores were chosen with the greatest care. They were brave men and good Christians, and they sowed traditions which have been preserved by our good people of the Province of Quebec. I am sure that the Federal authorities will spare no effort to bring in good, healthy people.

I have read in the newspapers of the desire to have a new railway built in the Peace I trust that this proposal will River valley. not be carried out too hastily, and that if it is decided to build new lines it will be borne in mind that the Province of Quebec has only half the railway mileage to which it is entitled in proportion to its population, and that we have fertile districts in which settlers are far removed from any highway. Among others may be mentioned the district north of Lake St. John, Mistassini and Peribonka, where nearly ten thousand settlers are awaiting the establishment of rail communications.

In the Speech from the Throne allusion has been made to the reform of the Senate. Permit me to say that it will require very strong arguments and reasons, which have not been given yet, to convince us of the need for this reform.

The intent of the Act of Confederation, in creating this branch of Parliament, was to constitute a judicial bodý whose duty it should be to protect minorities and large institutions in such a way as would guarantee their rights or their stability, and to revise legislation passed sometimes too hastily by the House of Commons. This is a bulwark against the encroachments of popular passion.

Composed for the most part of men whose merit has been recognized by the electorate, and who have been chosen from among the leaders of professional, commercial or agriculteral bodies, the Senate has not proved unworthy since Confederation. The door of public life has been opened to many of us by the people, whom we shall continue to serve in this Chamber. It was the wish of the Fathers of Confederation that the Senate should have in its ranks Ministers with portfolios, and until recent years it was customary to give us Ministers at the head of very important departments of government. It seems to me that this tradition should not have been interrupted. We have at present as leader of this Chamber a distinguished gentleman who is eminently well qualified to administer the most important department. He possesses general esteem, and I have no doubt that we should be highly gratified to see his promotion. It would be only doing justice to him and to this honourable House.

We are pleased to note in the Speech from the Throne that the Government intends to Hon. Mr. TESSIER.

submit for approval by Parliament a Treaty between the United States and Canada to secure improvement in the administration of laws respecting smuggling and the prosecution and extradition of persons violating the antinarcotic laws of either country. We congratulate the Government on having taken this initiative, and also our distinguished Minister of Health, Hon. Dr. Béland, on the courageous stand he took at Geneva on the occasion of the conference called for the study of this question. Chosen chairman of one of its committees-an honour to himself as well as to Canada—he supported the opinion that the only solution of the problem would be to restrict the production of opium to the quantity necessary for legitimate medicinal purposes, thus striking at the root of the evil. Intelligent and persevering work is being carried on in the Department of Health by Dr. Amyot and his assistants for the purpose of combating the scourge of the narcotic habit. Those who have followed the energetic efforts they are making to prevent illicit entry and the hateful traffic in these pernicious drugs are grateful for what the Department is doing to protect our country from this terrible evil.

Canada has taken its place at the great international conferences which have been held in Europe, and our representatives have given proof of training and knowledge equal to those of the delegates of other nations. We have taken an important step towards autonomy in ourselves signing for Canada certain treaties with the United States, and it is announced that in a short time Canada will be officially represented at Washington by a diplomat chosen from among the members of this Chamber-a man who has played a distinguished part in our political life. It is the duty of our statesmen to co-operate with those who would banish the hideous spectre of war and bring about the reign of peace for the progress and happiness of humanity.

Hon. G. D. ROBERTSON: Honourable gentlemen, may I heartily congratulate the mover and the seconder of this Address because of the very interesting remarks that they have made and the instructive information which they have laid before the House? Particularly, may I refer to the remarks of the honourable member from Moncton (Hon. Mr. Robinson), because I must confess my inability to intelligently follow the seconder of the motion (Hon. Mr. Tessier) in his language, and ask him to pardon any omission or failure to refer to what he has said, because of that inability on my part.

My honourable friend from Moncton, whom we have been delighted to listen to for the first time in an extended address, is a gentleman who has rendered conspicious public service in his own Province, and I am sure he will do credit to and be an ornament to this House. No reference to my honourable friend who seconded the motion is necessary, because his experience and ability and judgment are so well known to this House that we always greet his utterances with pleasure.

I admired the frankness and fairness of the honourable gentleman from Moncton, in pointing out that at the beginning of the Speech from the Throne it is stated that the world economic situation has improved during the past year. Then he assures us that the Government of Canada does not assume credit for that That I mark as a frank improvement. admission of fact. In the next sentence of the first paragraph of the Speech from the Throne a statement is made in which my honourable friend concurred, and which, while true, in my humble opinion does not imply or carry with it all the encouragement that might be taken from it. It is stated that the year 1924 was a period of substantial progress in Canada, and that the value of our exports over imports for that year amounted to \$260,000,000.

My honourable friend, however, perhaps overlooked the fact that that apparently satisfactory condition was brought about by reason of the fact that our imports during the year 1924 fell from \$907,000,000 to \$812,-000,000, a drop of \$95,000,000, which of course automatically increased the margin of exports over imports. It therefore follows that if our imports-which in other words means the ability of our people to purchase from their neighbours in other countries-continue to fall to the extent of another \$95,000,000 or \$100,000,000 next year, it will probably again be said, although our exports increased not at all, that the condition is substantially further improved. I therefore must accept with reservations the statement that an excess of exports over imports indicates national prosperity.

I will have occasion later on to make some mention of the trade convalencence and the convalescence of our transportation systems to which the honourable gentleman has referred. I might agree with him that the ship of state has had perhaps as turbulent a voyage during the last ten years as during the past three. But one recalls the fact that about a year ago or less the captain was ringing the bells of freer trade and the mate was ringing the knell of protection, and the ship of state was preparing to sail away on its voyage to the freer ports, and we were to have a freer interchange of goods with other nations; but

the expectations which the people experienced, and which they had a right to entertain, have not been altogether realized. Notwithstanding the fact that there has been a tendency towards freer trade by means of a reduction in tariff duties, in order to make the flow of international trade more easy, and, as the Government said, to reduce the cost of living, this policy has not worked out as I am sure the Government honestly expected. We find before Parliament met this Session the Prime Minister appearing before the people and telling them he is going to wait awhile now and see whether or not the experiment of freer trade and tariff reduction of last Session has been a success before he will tamper with the tariff again. That indicates to one who attempts to judge fairly, and I hope with reason, that the venture was an experiment. and that the Government itself is not sure whether it has been a successful one or not; so that during the present Session of Parliament there is no intention of any further move in that direction, but rather the Government are contemplating changing the course of the ship of state and sailing away on another mission, namely, an attempt to control the freight rates on the waters of the world

The Speech from the Throne says: "The year 1924 was a period of substantial pro-One should stop to consider just press." what that progress has been. When we speak of national progress, especially in a young country such as this is, we naturally think of an expansion of trade, of an increase in our productions of all sorts, of an increase in our national revenues, of a better relation between revenues and expenditures, of increased population, of a decreased cost of living and an improved condition of the people generally, by reason of constantlyincreasing values of properties that they own; and one of the questions that must for many years arise in the mind of a Canadian is whether or not our great national railway undertaking has been making progress forward or backward.

Let us for a moment consider some of these important points in order to reach a conclusion as to whether or not Canada made substantial progress in 1924. When we consider that the total export and import trade of Canada for the year just past is forty-eight and a half million dollars less than it was for the corresponding period one year previous, we can hardly put that down as an indication of substantial progress. With regard to Canada's revenues, when we find the Canada Gazette, the official Government publication issued just a few days ago, showing that the revenues of this country for the ten months'

period since the 1st of April are fifty and three quarter million dollars less than they were for the same period the year before, we are justified in thinking that the drop in revenues for the twelve months' period will be approximately \$60,000,000. If the nation, like a business concern with falling gross earnings, is able to reduce its operating expenses to the same extent, so that at the end of a certain period it obtains the same net results, then one must confess that we are at least holding our own; but this record indicates that the expenditures for the ten months of the fiscal year just past are only \$429,000 less than they were for the same period the year before. When we have a saving of \$429,000 in expenditures, and a loss of over \$50,000,000 in revenues, one is hardly justified in saying that 1924 was a prosperous year.

Perhaps our population has increased. If the burdens to be borne by the people of any country can be spread over a larger number each succeeding year, then the burden upon each individual becomes correspondingly less. What is the situation with reference to 1924 in that regard? The statement of the Bureau of Statistics, which is attached to the Department of Trade and Commerce, indicates that in the fiscal year ending April, 1924, which makes a better showing for the Government, There were 148,560 people classed as immigrants brought into Canada from foreign lands; and during the same period same period, the or approximately the United States officials tell us by their records that 181.973 people emigrated from Canada to the United States. In other words, we lost approximately 33,000 more than we received, and we spent during that twelve months upon immigration the sum of \$3,482,000, as shown in the Public Accounts distributed among the members this morning. Therefore the net result is that we spent three and a half million dollars to accomplish a reduction in population. That can scarcely be pointed to as an indication of prosperity or advancement during the year. It may be, however. that the people who are here have prospered; it may be that the value of your home, of your business property, of your farm, has substantially increased during the past year. Each of us might answer that for himself; but I am greatly mistaken if it is not true, generally speaking, that values have gone down rather than up.

Approximately 50 per cent of the people resident in this country are either wage earners or dependents on wage earners. They are dependent upon opportunities being made for them by which they may earn a liveli-Hon. Mr. ROBERTSON. hood. In that connection we find that even during the latter part of July and the early part of August, the midsummer months, the Federal Government found it necessary to call an Unemployment Conference on the 3rd of September last to consider and consult with representatives of the municipalities and the provinces as to what should be done to aid the unemployment situation which then existed and which promised to become more acute as the year advanced. If the country was so prosperous, and things were advancing so steadily and progressing so nicely, I would think it very unusual in the middle of the summer to foresee a situation which would necessitate the calling of such a conference. I will not weary the House at this time by going into a detailed analysis of the situation at this moment, but I will say that it is serious, and that we have had evidence of that fact constantly coming in during the last ten days. Therefore, with 181,000 people going from our country in a single year, and with the unemployment situation more serious than it was a year ago, it cannot be said that the condition of the country is prosperous, or that it has advanced during the year. The workmen, in addition to being largely unemployed, have found themselves in many cases obliged to accept decreased earnings because of the inability of the employers to pay more or of industry to bear a higher cost.

All this reflects upon the ability of the consumer to purchase even the necessaries of life in many cases. The country was told a year ago that the reductions and alterations which were made in the tariff were to reduce the cost of the implements of production and the cost of foods, and that this would result in a decrease in the cost of living to the consumer. Thousands, indeed hundreds of thousands, of people in this country, feeling the burden of the high cost of living, looked with hope, and some with confidence, to the working out of that panacea. What has been the result? The cost of living during the year has advanced, according to the Department of Labour's own record, and according to the records of the Bureau of Statistics. No one can gainsay that it is true, according to the Government's own records, that the cost of living is higher today than it was a year ago. Therefore reductions in tariff have apparently not effected a reduction in the cost of living.

Just in passing, honourable gentlemen, let me point to a few object lessons which speak to me much more forcibly than theoretical reasoning on this subject possibly could. Here lie two great countries side by side, speaking to a great extent the same tongue, and much the same in their ambitions and their standards of living; one a high tariff country, the other a medium. The cost of living in the United States to-day is on the average less than in Canada.

Hon. Mr. DANDURAND: That is disputed.

Hon. Mr. ROBERTSON: Prove it. The cost of living in the United States is to-day less than in Canada. The standard of wages earned by workmen in the United States today is on the average higher than in Canada.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. ROBERTSON: And that is one explanation of the exodus of so many Canadian men. In addition to their being unable to get employment at home at any price, there are inducements for them to cross the line because of better opportunities. Now, is the lower cost of living or are the greater opportunities for employment due to a low tariff or free trade policy? Surely they are not.

Let us take another example. There are two great nations almost side by side across the water, namely, France and England. France, I undertand, has added to her tariff in some instances as much as 60 per cent during the past couple of years. England has not done so. What is the situation in those two countries to-day? France has had an immigration of 1,500,000 people; every industry is humming; nobody is unemployed; and the cost of living is substantially lower in France to-day than it is in England, a freetrade country, with 1,200,000 people in need of bread and accepting doles from the Government.

In the face of such object lessons as these, one cannot logically, in my opinion, come to any other conclusion than that we have not prospered in Canada during 1924 as we might have done had some of the experiments that I have referred to not been indulged in; and

sincerely hope that the Government will at least not further hamper or disturb business conditions this year. We might, on the other hand, hope that they would improve the situation were it not that in the face of their commitments that is impossible to expect.

The Speech from the Throne is probably just as conspicuous for what it does not say as for what it does say. There are some important questions occupying the minds of the Canadian people to-day that are not mentioned at all in the Speech; and, knowing so well the modesty and retiring disposition of my honourable friend opposite, the honourable leader of the Government in this House

(Hon. Mr. Dandurand), I feel inclined to raise a point in order that he may have an opportunity to give us facts and an explanation on a question that I know most people in Canada do not understand and on which many of us are indeed at sea at the present moment. I refer to the result of the Conference which my honourable friend recently attended at Geneva, where the now famous Protocol was evolved and came into existence, with the approval and support, I understand, of my honourable friend. This is the result of a reparations conference that was previously held in England, last summer, at which, I think, the honourable the senior member from Ottawa (Hon. Mr. Belcourt) represented the Canadian Government. As an outcome of that important conference it was decided to hold another at Geneva to deal with the question of providing further for the permanent maintenance of international peace, and the Protocol, which is now a famous document, was the result. If I understand its contents and purport correctly, it provides that after its ratification by the various countries the League of Nations is to be clothed with absolute and arbitrary power either to maintain or enforce the decrees of the League of Nations. In other words, if a dispute arises in Czecho-Slovakia over boundary questions, or in China or anywhere else, the armies and navies of the world are to be at the disposal of that central body. If that be the fact, I would like to have my honourable friend give us a history of the negotiations in detail and some explanation of just why those results were arrived at.

Turning again to something that the Speech does contain, may I refer briefly to the question of immigration? I have referred to the emigration question, and also, indeed, to the question of immigration so far as it relates to people coming into Canada, and I will not labour that; but we have a migration going on within Canada because of seasonal requirements, and I want to say to the House and to the Government that I think there is room for very substantial improvement in this regard. It is an improvement that is needed, and if brought about it will go a long way towards improving the relationships and the sentiments existing between various sections of this great country. Every year for probably forty years there has been a call from the golden West to the men in the East, "Come out and help us reap the harvest." Without that aid the harvest in some cases could not have been

reaped, and year after year thousands of men, largely young men, have gone to the West and helped in the harvest, and the harvest has been saved. In 1919 an effort was made through governmental action to supply more systematically the harvest help required and to distribute it intelligently, and since that time labour has been supplied in that way, with more or less success. But I desire to point out the very serious situation that existed last year at harvest time, or immediately preceding it. I think the matter is worthy of mention, to the end that the Government may avoid, if possible, during 1925, a repetition of so unfortunate a situation, and withhold supply until required.

In the course of my duties in another connection I travel considerably, and I happened to be in the city of Moose Jaw on the third Sunday in August last and there saw a situation that to me was lamentable. There were about 800 harvesters from Eastern Canada in the city of Moose Jaw on that day. They had been there for nearly a week. That evening another train load arrived. There was nothing for any of them to do, and most of them had little and many of them no money. Along the main street of the city of Moose Jaw there is a boulevard ten or twelve feet wide, between the street proper and the sidewalk. It is a grass plot. Lying along that boulevard like sticks of wood were hundreds of men without any other beds and in many cases without the wherewithal to purchase a meal, and waiting-for what? For an opportunity to work. Beautiful fields of wheat all over that district were just beginning to ripen. None of them were ready to cut, and they would not be for about a week yet. A little cutting had commenced on the Portage Plains, but nothing in Saskatchewan. The scene that presented itself to me reminded me of dry summers in the early days, when as a boy I had to pasture the cows on the road, though inside the fence there were beautiful crops of hay, wheat, etc., which they would like to have but could not reach. And so those human animals were there in want, perhaps unknown to many Western farmers who in a few days would need their services. I hold that there ought to be closer co-operation between the people who require labour and the Government, who are attempting to supply it, to the end that the requirements may be served properly and without such distress and such disgraceful conditions as existed at that time. If a proper relation is to be maintained and strengthened between the people of the East who want to go West to see the country Hon. Mr. ROBERTSON.

and to help in gathering the harvest and the people of the West who need this assistance, then that sort of occurrence must not happen again.

A railroad conductor with whom I am personally acquainted, and who made a very interesting speech in the Saskatchewan Legislature the other day, told me personally that he had had fifty-two men on his train travelling on the brake-beams and in the box cars from station to station the week before, looking for a chance to obtain a meal or board until their services were required in the harvest fields, and they were not receiving any response that would keep them fed until they were needed.

I want to refer in that connection to one other incident. It occurred a few weeks afterwards. The unemployment conference called by the Government to which I have referred was held here on the 3rd of September. I am not criticising the results, but they were not very extensive. During the time that conference was in session a telegram came in and was read, stating that 2,000 more men were wanted in the harvest fields-at a time when I knew there was a surplus. Now, honourable gentlemen, that is not playing the game, and I say frankly to the Government and anybody connected with it that attempts to make human beings the pawns in a game of that sort is not fair.

The Government in its wisdom has included in the Speech from the Throne the statement that the problem of the cost of living is the most important one in the minds of His Excellency's advisers at this time and that every effort is being made to improve conditions with respect thereto. I assume that it means that, but I may say frankly that there are many people in the country who are accepting it with reservations, because of the fact that, although similar interest in the same subject was most emphatically voiced six years ago, yet, three years later the present Government came into power and, although it has since been administering the affairs of this country and has had opportunity to give attention to this matter and effect a remedy, the cost of living has not decreased. I do not think that the new panacea that it is proposed this year to experiment with, namely, to seek to control ocean freight rates, which follows in the next paragraph of the Speech from the Throne. as the remedy to bring about the desired results, is going to accomplish what is expected.

There have been freight rate wars on land and sea from time to time for many years. The Government of Canada has not yet very

successfully accomplished the task of controlling freight rates on land. There is much to be done there still. But when it undertakes, with a few inadequate tools at its command, to control the commerce on the high seas, I am afraid that it is facing an impossible task. I would point out to the Government also that there is a good deal of risk involved. The control of commerce on the high seas is a big undertaking. It involves serious responsibility, and if perchance it became necessary to protect the traffic by calling out the Canadian Navy, and perhaps other forces, in defence of the Government's action in controlling commerce on the high seas, it might result in a very complicated situation.

But let us consider seriously for a moment the effect, even though success may be attained. Let us grant for the moment that the Government does succeed in putting on and subsidizing a fleet of steamships, as is suggested in the information before us, for the purpose of carrying a substantial quantity, if not the major portion, of Canada's products to foreign markets. What is the proposal? It is not that the steamship companies should carry them at reduced rates. No. The president of the embryo ship company, only a couple of weeks ago, said in effect to his shareholders: "Hold your stocks. We have a deal on here that is going to make your stock worth par. We are going to have a flow of business here at profitable rates. and it will make our venture a success." That is the implication of his words. The Government proposes to turn the business of the country, as far as possible, through a particular channel at a rate which is admitted to be unprofitable to the carrier, and proposes then to subsidize that carrier out of your pocket and mine to compensate it for carrying out his part of the programme. What will be the ultimate result? It will be, that instead of the commodity bearing the cost of transportation to its legitimate market, people who are in no way concerned in the transportation of that commodity will be taxed to pay the subsidy. It does not appear to me to be a business proposition.

Furthermore, suppose that the arrangements were made and steamship companies were subsidized to carry the entire product of Canada to foreign markets, and that the people were taxed to pay the cost. What would be the effect of that on the cost of living in Canada? Would it be reduced, as the Speech indicates will be the result? I say no; the result would be absolutely and entirely the opposite. The effect would be to make commodities scarce and dear in Canada, because the people here would be taxed in order that those commodities might be shipped away to a foreign market.

The Speech from the Throne indicates that the Government desires to make some amendment to the British North America Act that would affect the jurisdiction and the powers of this body. It is proposed to hold a conference to discuss this question with the provinces. I am sure that there ought not to be and probably will not be any objection to the Government holding any conference there with the provincial governments or the municipal authorities if they see fit, and that we need not waste any time in discussing that feature.

It is all well enough to stand up here and criticize the Government and the utterances of the Government as contained in the Speech from the Throne; but I wonder whether that is going to be very useful unless we also attempt to say a word or two that may be regarded as of a somewhat constructive nature. If the picture that I have feebly endeavoured to lay before you, indicating that there is great room for doubt as to the prosperity of the country during the past year, is a true one, and if, on the other hand, all the evidence that I have endeavoured to place before you indicates the true state of affairs, the result might be depressing. But it ought not to be. There is no place on the face of the earth that has the potential possibilities to compare with those of the Dominion of Canada.

My honourable friend from Moncton (Hon. Mr. Robinson) referred to the development of hydro-electric power which in years to come I think is undoubtedly going to bring untold riches out of the earth and will make this probably one of the richest countries in the world. But just for the present our responsibility is to the present generation rather than to future generations; and what can be done to overcome falling revenues, to stop the exodus of population and to increase it, and to increase the traffic on our transportation systems without which they can never succeed? It seems to me that the experience of those two great countries, the United States and France, and the policies that they have followed with such success, might with justice be carefully considered by Canadian citizens. If we can accomplish something by following a domestic policy directed towards the upbuilding of our own country, rather than concerning ourselves so much about the far corners of the earth, it seems to me that we shall serve Canada just as effectively. How can that be done? I had a letter the other day from the

mayor of one of our large cities in the province of Quebec with reference to the unemployment situation. He knew I had been interested in the subject a few years ago as a Minister of the Crown. He indicated that his city was one in which substantial industries were located, industries which were heavily hit by reason of the increase in the British The ultimate preference recently granted. result was that 1,300 of those industrial workers in that city were out of employment, an unprecedented situation, and some 300 families were being supported by the city in order to keep them alive. One wonders whether or not Canada is under obligation to look after her own people first, and to provide employment for them, or to so amend the tariff regulations as to deprive our own people of a livelihood, and to make employment for people in other countries. My idea is that our duty is to our own people first, and that there should not be preferential treatment accorded to any other nation if such treatment interferes with the right of our own Canadian citizens to earn a decent livelihood.

Then followed the question of transportation, closely interwoven with our publicallyowned transportation system in particular, and perhaps no less with the Canadian Pacific Railway. We must have greatly increased traffic if they are to succeed. There is nobody more concerned in the success of the National Railways than the people of Canada, unless it be the Canadian Pacific Railway itself, which is equally interested, and of which it has been properly said by the president of that corporation that the C.P.R. is the largest taxpayer in the country, and therefore interested from that standpoint.

When we consider that we have in this vast country only 221 people to each mile of railway to provide and produce traffic, while in the country to the south of us there are 450 people to every railway mile, we must at once come to the inevitable conclusion that the solution of our railway problems and transportation difficulties lies in an increased population-a greater number of people to produce traffic to be carried over the railways that we now have. In this connection my opinion is that this country, unless special justification can be shown, ought not to build any further unnecessary railroad's until the vast spaces now served by existing lines are producing traffic.

I feel that I have probably exceeded the bounds of propriety in speaking at such length, and I beg the indulgence of the House. No doubt from time to time during the present Session opportunities will be given to discuss each of these subjects more in de-Hon. Mr. ROBERTSON.

tail. May I say just a word of general import? Perhaps it may be regarded as not quite in order, or unusual at this time. For twenty odd years it has been my lot to quite constantly travel over our entire country, and, honourable gentlemen, I feel it is a duty as far as it is reasonably possible for every man in either House of Parliament to familiarize himself between Sessions with the conditions that obtain in the far-away parts of this country, so that when we meet together here there may be a better understanding of and a greater sympathy for the problems of the other fellow than has existed in times gone by. It is difficult for the coal miner in Nova Scotia to see the side of the employer in the controversy that is now going on between employer and employed in that great industry which has been so seriously retarded by long-drawn-out disputes. Likewise, the western grain-grower in my opinion does not understand the mentality or the problems of the eastern city dweller or even of the eastern farmer. It is true also that without seeing the great western plains and knowing something of the ambitions and problems of the people of the west, it is quite impossible for a citizen of the east to fully comprehend their view. Therefore I would suggest that as far as possible by individual effort, or as the Government may see fit to encourage it, that it would be useful in the deliberations of this House if members were to make themselves familiar with the circumstances and surroundings of questions that come before us for consideration.

Hon. RAOUL DANDURAND: Honourable gentlemen, I join with my honourable friend in expressing my appreciation of the two speeches which we heard from the honourable gentleman from New Brunswick (Hon. Mr. Robinson) and the honourable gentleman from Quebec (Hon. Mr. Tessier). They have treated the questions in the Speech from the Throne which interested them both from a high plane. The honourable gentleman from New Brunswick brings to this Chamber an experienced and logical mind. He is unquestionably an acquisition to this House. As to my honourable friend from Quebec, he has been here for such a long time, and we appreciate his contributions to the work of this Chamber so much, that I need not present him with special commendations except to reciprocate the very kind things he said of myself.

I have not very much to complain of in the presentation of the views of my honourable friend from Welland (Hon. Mr. Robertson). He is somewhat critical, but not so violently critical as to hurt my feelings. He has been in the Government of this country, and naturally he knows that action is much more difficult than criticism, and as he was a Minister of the Crown until the latter part of 1921, he realizes what a wrench the world war gave to the economic conditions of most countries. It is undoubtedly very difficult to readjust world conditions, and we in Canada are feeling the effects of the great war, not only upon this but upon other countries of the world, even those that did not participate in that war. All were hurt by the cataclysm.

My honourable friend asked whether we had made any progress during 1924. I believe conditions are better to-day than they were a year ago. We have had, I will not say a bountiful crop, but quite a remunerative crop in the West, and there has also been a fair crop in the East, and conditions are looking somewhat brighter.

Towards the close of his remarks my honourable friend said that his policy would be to attend to the condition of our own people and the protection of their interest through a higher tariff policy. Although he did not mention that word it is apparent what he meant, because he has criticized the preferences given to the other parts of the Empire. At the outset I draw his attention to the condition which should precede his panacea, a condition which I believe to be essential. My honourable friend holds to the doctrine that we must give the manufacturer the home market, and that this market should be protected for him.

Hon. Mr. ROBERTSON: For the workman.

Hon. Mr. DANDURAND: I draw his attention to the fact that that market must first be made valuable to him, that there must be some purchasing capacity in the market, and that there is a purchasing capacity in that market only when the vast multitude of consumers called the farming community is pro-Why have we felt a weakening in sperous. the development of our industrial life? It is simply because our markets could not, as heretofore, absorb the products of our in-dustries. When the largest of all industries, the farming industry, is so paralyzed that in the turnover it can make hardly any profit, and cannot meet or can meet only with very great difficulty its notes or the interest on its notes in the banks, what happens? The consumer tells his wife and his children that they must continue to wear their old clothes, that they cannot go to the merchant's and increase their liabilities. The merchant, feeling that there is no demand, reduces his purchasing from the wholesaler, and the whole-

saler diminishes his order to the manufacturer. That is what has happened throughout the United States and Canada, and our large manufacturing institutions have been obliged to slow down a little because our people have not the requisite purchasing capacity. T repeat, the first condition for the prosperity of the country is the prosperity of the farming community. If you have no prosperous farming community it is futile to say you will build a Chinese wall around the country and will see that the community does not purchase elsewhere. The problem is a larger one than that, and cannot be solved simply by saying we will increase the tariff. It has often been said that to increase the tariff in many instances increases taxation; so that in this country, with our great geographical difficulties and conditions, we must think of something else than the tariff. It has been my experience that when there is buoyancy inside the country, when there is prosperity, we very seldom hear our friends of the industrial world complaining of the too keen competition of foreign goods. The question which faces this country is the question of cheapening transportation and the cost of production in order to give a larger margin of profit to the producers. I am speaking of the producers on the land, those who produce the greatest wealth upon which the manufacturers and others engaged in industry must principally depend for the sale of their goods.

It is unfortunate perhaps that before settling a few millions more of people in the Eastern Provinces we opened our West and extended our operations to the Rockies. Perhaps it might have been better-of course, one is always wiser after the event-to attempt the development of our Eastern Provinces and the increasing of our population there before venturing upon that expansion in the Western Provinces. However, people have settled in the West and they feel that the low price received for their product during the last few years, except last autumn, and the high cost of production and of transportation, prevent farming in the West from being remunerative. It is our imperative duty to make farming in the West profitable. If we can cheapen transportation by rail and by water, we shall have done considerable towards solving the problem.

My honourable friend (Hon. Mr. Robertson) spoke of the effort that this Government intends to make, or is making, to reduce costs of transportation on the seas. If there is clearly an autocratic monopoly on the seas, I believe that Canada in taking the lead may hope for the support of the other Dominions that are likewise suffering, and of the Mother

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REVISED EDITION

Country as well. My honourable friend says: "But if you get a lower rate on the seas, it will be unprofitable and may be at the expense of the community in general." I hope not. I hope that we may be able to get a lower rate which will not be unprofitable, and for which the taxpayers of the country will not have to pay. Even if they did have to pay to a certain extent, that should not scandalize my honourable friend too much because a statement which I read before the House opened, from a gentleman whom he knows very well, clothed with an expression of this opinion, which is perhaps shared by my honourable friend-"that to enable the products of the Western Provinces to reach more readily the markets so developed, the special transportation burdens borne by those provinces should be shared by the whole Dominion, either by contribution to the long-haul freight cost, or by assistance in some other form."

Hon. Mr. ROBERTSON: On land.

Hon. Mr. DANDURAND: So there is a willingness on the part of some people to bear part of the cost of railway transportation. The principal would be the same if there were losses on the sea to be shared by all the people; but all this would be conducive to reducing the cost of production in those three Western Provinces; and if, even at the expense of the taxpayers in general, we can do something to make farming in the West profitable, I think the country at large will agree to make that sacrifice, because the result will be prosperity in the East, by reason of the increased purchasing power created in those three Provinces.

My honourable friend has not dwelt at length on the question of immigration. He has simply mentioned the fact that we were quietly extending our operations in Europe, but he mentioned it in order to affirm that we were losing that population by emigration to the south. Of course, there have been considerable difficulties in starting anew the procession of immigrants to our shores. All our activities in that respect-our publicity and propaganda in Europe-had been stopped and had not been started again when this Government came into power. The whole of the machinery had to be organized and started in Europe, for the purpose of reaching prospective immigrants. Then the ocean fare has increased formidably, and this increase is a strong deterrant to peeople desiring to cross the sea and come to Canada. The proposed attempt to control ocean rates may help in increasing the number of immigrants coming to our shores. It must not be forgotten that Hon. Mr. DANDURAND.

the best immigration agent is the satisfied settler, and in recent years we have had no help from those Western farmers who came from Europe. It is hoped that if they become more prosperous they will themselves attract immigration, through their letters to their families and friends. I do not think we shall be asking Providence for the impossible if we pray that the coming season may give the West, and Canada in general, a good crop. We are not expecting those wonderful crops that come occasionally, but with fairly good crop and a fairly good price our people in the West would be set on their feet, and I hope that the West, as well as the East, may next summer be blessed with such a crop.

My honourable friend has spoken of emigration. He has mentioned one of the causes for the departure of some of our people for the south, namely, that wages have been considerably increased in the United States, owing to the fact that the door has been practically closed to European immigrants, but left open on the Canadian side. Thus there has been produced in many centres a certain shortage of labour, and wages have gone up. There was a time when the United States received 500,000 to 1,000,000 men a year, and two-thirds of the number were distributea among the towns and cities, and this helped to maintain a fair wage scale. My honourable friend, who has been the champion of labour, will admit that it is an abnormal situation that labourers can get a dollar an hour. That is a reversal of world conditions. Perhaps the rate is higher.

Hon. Mr. WATSON: Two dollars an hour.

Hon. Mr. DANDURAND: I am told it is even two dollars an hour.

Hon. Mr. ROBERTSON: Two dollars a day on Portage Plains.

Hon. Mr. DANDURAND: So it is no surprise that some of our people have been attracted by those higher wages. My honourable friend, in referring to the number of people who have crossed over to the United States, has been obliged to use American data gathered at Washington; for a country never keeps tab of those who leave it, but takes account of only those who come in. Many of our people who cross from the older provinces do so with the intention of returning. We have never had in Canada a census of the people who have come back. In March last, for the first time, our officers were asked to keep a record of the number of Canadians returning who had been in the United States six months or more, but less than three years, and under this new order it was found that on the average 4,000 a month had returned. What would have been the record if the order had gone forth to take account of the people who had been less than six months in the United States? I know of hundreds of people along the border who go across from the Province of Quebec into the State of Maine or New Hampshire with the intention of staying three of four months and who do return to Canada.

I desire to repeat to this honourable Chamber a very interesting statement made elsewhere. According to the United States Immigration Department, between the years 1910 and 1920, 742,000 Canadians crossed the border; that is, one-tenth of our then population. But what does the United States Census Department say? I cited the Immigration Department's record, but the Census Department of the Republic declares that in 1920 there were 78,000 fewer native-born Canadians in the United States than were recorded in 1910. In order to know exactly what all such figures as are mentioned for the current year are worth, it will be necessary to await the Census of 1930, five years hence, and then we may be surprised to find that the people who seemed to have gone to the United States are not there. Most of them will have returned in the interval to Canada.

Hon. Mr. TAINNER: Does the honourable gentleman mean that there is no emigration from Canada to the States?

Hon. Mr. DANDURAND: Emigration from Canada? Oh, there is; but there is emigration from the United States as well.

Hon. Mr. TANNER: Does my honourable friend mean us to understand that there is as much back?

Hon. Mr. DANDURAND: I mean only to give these two figures. The Immigration Department declares that from 1910 to 1920 742,000 Canadian-born crossed over to the United States as emigrants; but when the Census was taken it was found that the native-born Canadians were fewer by 78,000 in 1920 than in 1910.

Hon. Mr. TANNER: Does my honourable friend know that almost anything can be proven from those figures that he is quoting now; but when you go about the country and see settlements depopulated and you know that the people are gone and are not coming back, you are very apt to lose faith in these figures.

Hon. Mr. WATSON: They are coming back.

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Hon. Mr. DANDURAND: I am simply citing those figures for the purpose of affirming with my honourable friend (Hon. Mr. Tanner) that we must not be too cocksure about the statistics taken from either side. It is in answer to my honourable friends that I give these figures, as being quite illuminating, if they are explainable.

Hon. Mr. TANNER: We have authorities like the Premier of Nova Scotia and the late Provincial Secretary of Nova Scotia, who retired a few weeks ago, and other eminent gentlemen, who have come up to Ottawa and told the honourable gentlemen of the Federal Government that there is what they call an alarming exodus of young people. Premier Armstrong of Nova Scotia came up here twelve months ago and informed you that the fishing districts of Nova Scotia are depopulated, which is a fact. They are depopulated—actually cleaned out.

Hon. Mr. DANDURAND: Of course, my honourable friend knows why.

Hon. Mr. TANNER: My honourable friend tells us that these figures prove that nothing of the kind happened.

Hon, Mr. DANDURAND: I do not say that nothing of the kind happened, but my honourable friend knows very well why the fisherman of Nova Scotia is attracted to the other side, and perhaps he might desire to return to 1911 and wish he had not voted against reciprocity at that time.

Hon. Mr. TANNER: What we want is people, not figures.

Hon. Mr. DANDURAND: I know there are New Brunswickers also who night and day are deploring the rejection of reciprocity in 1911, and I believe that Nova Scotia would not to-day refuse reciprocity with the United States.

Hon. Mr. TESSIER: But they cannot get it.

Hon. Mr. ROBERTSON: Hear, hear. They cannot get it. That is right.

Hon. Mr. DANDURAND: We cannot get it, but when we could get it it was refused.

Hon. Mr. ROBERTSON: Never could get it.

Right Hon. Sir GEORGE E. FOSTER: There is something in keeping it after you get it.

Hon. Mr. DANDURAND: Of course, there is that to be considered.

My honourable friend (Hon. Mr. Robertson) has spoken of the unemployment situation as being worse in Canada than in the United States. I think that is the point my honourable friend made. Well, the Federal Reserve Bulletin for the month of December gives the conditions of employment in the United States for the months of June, July, August, September and October, and here is what it says:

The decrease in the United States during June, July, August, September and October in the employment index is 12 per cent. The decrease in Canada is 6.6 per cent.

Hon. Mr. ROBERTSON: May I interrupt my honourable friend for a moment, to point out to him that if he would refer to the figures from January to May, inclusive, he would find an entirely different situation, but in the third week in May, 1924, a wave of uncertainty swept over the United States, as always occurs in that country a few months prior to an election. My honourable friend has picked out the months from June to October. The elections were held on November 4th, and when November 4th was passed the United States immediately stepped into their stride again and they have been going at a lively pace since; for, as my honourable friend said a few minutes ago, men were in demand there at high wages.

Hon. Mr. DANDURAND: I read to the honourable gentleman the index numbers regarding employment in manufacturing and railway operations in Canada and the United States, based upon the average index numbers reported by employers in 1923, as 100. My honourable friend will see that, according to this table, conditions were approaching normal more rapidly in Canada than in the United States. He says these figures are for only part of 1924, but I believe that he would find also that the conditions for the whole of 1924, as shown by the fluctuation from one month to an other, do not indicate that Canada is inferior to the United States in the matter of employment.

As to failures, I believe that our situation is much better than that of the United States. In 1922 there were 3,695 failures, but that number comprises not only the industrial world, but all of the commercial and trading firms of the country. In 1923 there were 3,247 failures; in 1924, 2,474. In 1922 the liabilities of the large concerns that went down, 857 in number, amounted to \$39,000,000; in 1923, with 792 such concerns, they amounted to \$31,000,000; in 1924 the number of these concerns was reduced to 625, with a liability of \$36,000.000.

The third quarter of 1924, according to Dun's report, broke the record in the United States for failures.

Hon. Mr. DANDURAND.

Right Hon. Sir GEORGE E. FOSTER: Might I suggest to my honourable friend that he is not making the most of his argument. If he carries it out and goes on from year to year, he will come to a time when there will be no failures, because there will be nobody left to fail.

Hon. Mr. DANDURAND: So my honourable friend says, but I will show him that in the United States the number has kept increasing, so there were still some left. On the other hand, in this country the number was decreasing.

This quotation is from Dun's report:

The month of March, 1924, holds the country's record for the largest volume of failure liabilities for any single month. The 1924 total of commercial failures was 20,615 in number and \$514,225,000 in volume of failure liabilities. This is an increase over 1923 of not quite 2,000 in number and \$4,000,000 in volume. Although 1921 and 1922 slightly exceed 1923-24 in number and volume of failures, the year 1924 easily holds the banner over the twenty-five years preceding. It exceeds by a fairly wide margin the combined totals for the years 1919 and 1920, and very largely exceeds the total of the panic of 1908.

Now, as an indication of the situation in the United States, let us look at their bank failures. In 1924 there were 613 bank failures, the largest number in any year during the present generation. The liabilities amounted to \$202,000,000, a figure which has been exceeded only twice in 25 years. The total found on page 10 of Dun's review for January 10 is the amount of the liabilities and the number of bank suspensions for 22 years, from 1903 to 1924. In 1922 the bank failures in the United States involved 277 banks and liabilities of \$77,000,000, in 1923 there were 578 banks, with liabilities of \$203,000,000; in 1924 there were 613 failures, and liabilities of \$202,-000,000. That country, under a high protective tariff, seems to have suffered more than Canada.

My honourable friend spoke of the doubtful condition of our industrial expension. Let us see what the figures show from 1921 to 1924? These figures cover exports of Canadian produce under three heads: raw materials, goods partly manufactured, and goods fully or chiefly manufactured. 1921 was an abnormal year.

Exports of Canadian Produce by Degree of Manufacture for Fiscal Years Ended 1914, 1921-24

1914	Value	Per cent
Raw materials	272,593,581	63.16
Partly manufactured	43,660,533	10.12
Fully or chiefly manufactured.	115,334,325	26.72
Total	431,588,439	100.00
1921	524,075,762	44.07
Raw materials	193,641,676	16.20
Partly manufactured	471.446.263	39.73
Fully or chiefly manufactured.	471,440,203	39.13
Total	1,189,163,701	100.00

1922		
Raw materials	329,370,942	44.49
Partly manufactured	107,227,564	14.49
Fully or chiefly manufactured.	303,642,174	41.02
Total	740,240,680	100.00
1923		
Raw materials	416,278,028	44.69
Partly manufactured	150,957,734	16.21
Fully or chiefly manufactured.	364,215,681	39.10
Total	931,451,443	100.00
1924		1000
Raw materials	453,521,750	43.39
Partly manufactured	175,974,117	16.83
Fully or chiefly manufactured.	415,855,189	39.78
Total	1,045,351,056	100.00

So we have gained in the manufactured or partly manufactured goods; and I think this indicates quite a healthy situation so far as our manufacturing industries are concerned.

The excess of manufactured goods imported over manufactured goods exported in 1921 amounted to \$264,000,000; in 1922 to \$120,-000,000; in 1923 to \$59,000,000, and in 1924 to \$47,000,000. That indicates that we have gradually been increasing our manufactures to meet the requirements of our markets. From this it would seem that manufactured goods from outside are not displacing our goods to the extent that we have been led to believe, but on the contrary that we have been gradually gaining. This also shows a healthy condition in Canada.

Hon. Mr. DAVID: Less money to buy.

Hon. Mr. DANDURAND: My honourable friend said that the cost of living had not been reduced. Let me give him some figures from the Bureau of Statistics. The average cost of a food budget in 1921 was \$12.10; in 1922, \$10.29; in 1923, \$10.52; in 1924, \$10.31. This is a weekly food budget for a family of five. The budget, including food, fuel, light and rent, is as follows: 1921, \$22.71; 1922, \$20.88; 1923, \$21.07; 1924, \$20.80.

This shows a gradual reduction, but I recognize that conditions are such that it is very difficult to bring down the cost of living. I have often stated that the wage earners took advantage of the exceptional conditions that obtained during the war to boost their wages. They have been somewhat reluctant to have them reduced, and the result is that although they handle more money they themselves must pay a higher cost of living which they, themselves, largely created. When the cost of building a house has doubled, it is logical that when the labourer goes to rent that house he must pay double the rental he used to pay. Likewise, in the case of coal and other commodities, especially those to which the cost of long-haul transportation must be added. Wages on the railway, in the mine, in the forest, although the latter have lately come down, all go to enhance the cost of living, and it is somewhat difficult to reduce it so long as wages remain as they are.

Hon. Mr. ROBERTSON: Is it my honourable friend's conclusion that in order to reduce the cost of living wages must first be reduced in the country?

Hon. Mr. DANDURAND: I have been stating a fact. It is one of the problems with which we have to contend, one of the conditions which we have to consider, and my honourable friend can with very little grace speak of the high cost of living when he, perhaps, has been one of those who has assisted to increase that cost of living. I have known other people, as well as wage earners, who have insisted that "what we have we hold". That is a condition which we will have to face, and an explanation is due to the wageearners as well as to the community in general, because the wage-earners must know that houses cannot be built at an increased cost because of higher wages and rented at the old figure. This stands to reason, and they must be brought to understand that the present condition is partly due to the high wages given them.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. DANDURAND: Honourable gentlemen, it may be of interest to have in our Hansard a statement prepared by the Internal Trade Branch of our Bureau of Statistics, regarding the cost of a food budget compuising specified articles and quantities mentioned, in certain cities in Canada in July, 1924, and similar information regarding the United States. The statement covers the cities of Montreal, Toronto, Windsor, Winnipeg and Vancouver, and the cities of Boston, Buffalo, Chicago, Detroit, Minneapolis and Seattle. The statement shows the totals for Canada and for the United States.

Hon. Mr. STANFIELD: Wholesale or retail?

Hon. Mr. DANDURAND: I can give only what I have before me. It is evidently the retail price. Cost of a Food Budget Comprising specified articles and quantities mentioned in Certain Cities in Canada in July 1924

Commodities	Quantity	Montreal	Toronto	Windsor	Winnipeg	Vancouver	Canada
Sirloin steak	1 pound	31.5	32.8	29.6	29.8	33.6	29.7
Round steak	1 "	26.3	24.3	22.6	20.6	. 24.6	24.1
Rib roast	2 "	53.0	48.6	42.2	41.2	44.2	44.2
Chuck roast	2 "	26.6	29.2	30.4	24.0	26.0	31.2
Bacon sliced	1 "	30.8	33.9	32.5	33.7	42.4	35.7
Salmon	1 "	8.5	8.5	9.2	9.0	8.1	8.1
Milk, fresh	6 quarts	72.0	70.8	78.0	72.0	66.6	71.4
Butter	3 pounds	117.0	118.2	114.0	118.5	126.9	117.9
Cheese	2 "	56.4	57.8	52.2	58.2	46.4	56.8
Lard	2 "	40.2	39.8	38.8	37.4	38.6	41.2
Eggs, fresh	1 dozen	39.5	36.8	33.0	30.9	33.8	31.8
Bread	15 pounds	102.8	100.5	100.5	90.0	95.3	100.5
Flour	10 "	45.0	41.0	38.0	43.0	43.0	43.0
Rolled oats	5 "	25.5	26.0	24.5	26.0	27.0	27.0
Rice	2 "	20.6	20.0	22.4	22.0	17.2	20.8
Potatoes	2 pecks	65.3	71.7	76.1	66.0	66.7	64.0
Onions	1 pound	7.8	7.7	9.7	6.9	5.5	8.3
Corn, canned	1 "	5.7	5.4	5.4	6.4	5.9	6.0
Peas, canned	1/5 "	3.5	3.2	3.3	3.8	3.6	3.7
Sugar, granulated	4 "	37.6	37.2	38.0	42.0	38.4	40.8
Tea	1 "	35.5	33.8	34.4	34.8	34.0	34.7
Coffee	1 "	13.7	14.0	12.8	12.2	13.3	13.6
Prunes	ī "	14.9	14.5	16.6	15.2	14.5	15.9
Total cost		\$8.80	\$8.76	\$8.64	\$8.44	\$8.56	\$8.70

Cost of a Food Budget comprising specified articles in the quantities mentioned in Certain Cities in the United States in July 1924

Commodities	Quantity	Boston	Buffalo	Chicago	Detroit	Minneapolis	Seattle	U.S.A.
Sirloin steak	1 pound	64.9	40.3	41.9	40.1	33.9	32.0	40.7
Round steak		52.6	33.5	32.7	32.4	30.2	27.0	34.6
Rib roast		78.0	58.0	63.6	56.8	53.2	51.4	58.2
Chuck roast		50.0	43.6	41.8	41.6	41.8	33.6	42.0
Bacon, sliced		36.5	30.0	41.0	35.1	38.3	44.4	36.4
Salmon		7.4	6.8	8.1	7.4	9.4	7.6	7.8
Milk, fresh	6 quarts	80.0	72.0	84.0	84.0	60.0	69.0	81.0
Butter	3 pounds	154.2	148.5	142.2	147.6	134.4	141.0	148.5
Cheese		71.4	68.8	77.0	70.4	62.2	69.4	68.8
Lard		34.6	31.8	35.2	35.2	33.4	35.6	34.2
Eggs, fresh		56.3	38.2	39.7	38.2	31.4	39.2	39.4
Bread		127.5	126.0	145.5	132.0	133.5	147.0	130.5
Flour		55.0	45.0	44.0	44.0	49.0	45.0	48.0
Rolled Oats		45.0	37.5	42.5	45.0	40.5	44.5	44.0
Rice		22.6	19.2	21.2	19.4	19.4	23.6	20.0
Potatoes		108.0	93.0	108.0	84.0	96.0	123.0	99.0
Onions		8.4	7.3	7.1	6.8	7.4	5.0	6.9
Corn, canned		6.4	5.1	5.3	5.2	4.4	5.9	5.3
Peas, canned		4.3	3.3	3.6	3.5	3.3	4.0	3.6
Sugar, granulated	. 4 "	32.4	30.8	32.4	32.4	34.4	36.8	33.6
Tea		34.6	32.5	36.1	31.9	32.3	37.9	35.4
Coffee	. 1 "	12.4	9.8	10.9	10.4	11.4	11.1	10.6
Prunes		17.4	16.4	19.2	17.9	17.8	14.3	17.4
Total cost		\$11.60	\$9.97	\$10.83	\$10.21	\$9.79	\$10.48	\$10.46

My honourable friend, in referring to the cost of living, asked us to ponder over the situation in France and Great Britain—one a free-trade country and the other protectionist—and he stated his belief that the cost of living was lower in France than in Great Britain. My conviction is to the contrary. I was in France for a few weeks last autumn, and I was told that prices had mounted to such an extent that the Herriot Government had found it necessary to attempt to fix maximum prices. In fact, the franc is worth Hon. Mr. DANDURAND. only one quarter of its normal value. When you discuss the question with residents, you find that the cost of living is three times what it was on the basis of the franc. So you will see that the cost of living there is quite high; but I doubt that there is any comparison possible between the normal situation of a country with such an exceptional situation as this.

My honourable friend has suggested two remedies for our present condition—protection of our industries and stopping railway building. The latter suggestion may reopen the whole question of the policy which the Senate followed last year. The policy of my honourable friend was not followed by the Senate last year, because it declared the necessity of building 21 or 22 lines out of 26 submitted to us. It was decided by the Senate then, on the merits of each case. that there is such a thing as money well spent even though finances are difficult. One may be in straitened circumstances, but at the same time he may feel that it is a good thing even for him to borrow money to advance his own interests. So I say for this reason I would not be ready to adhere to a hard and fast rule that there should be no more money spent for railway branches.

There is, I know, a desire on both sides in the Senate to examine closely into the problem of the Peace River region, from which nearly half the people have already moved out because they could not sell the products of the land. This is a very rich area, and the question is whether or not having already opened that country we should do something to retain the population which is there and try to bring in tens of thousands of people who would come in if they could sell their products and send them to Vancouver, which I think is the nearest point on the seaboard.

My honourable friend has said that the Speech from the Throne failed to mention the work which was done at the Fifth Assembly of the League of Nations in Geneva last September. He added that the question was one of sufficient importance to merit attention, as the armies and navies of the world, under the new amendments to the Covenant, seemed to be put at the disposal of the League of Nations. I do not feel that the moment has come to make a statement on this matter to the Senate. The right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) has given a notice of motion which may open up the whole question. All that I desire to say is that my honourable friend's statement that the Canadian delegates adhered to the protocol would need qualification. Most of the representatives of the nations, the representatives of Canada among them, had no mandate from their Governments. They saw, however, the very great importance of this document, but they were without any power to bind their respective Governments by putting their signatures to the document. It was suggested that the resolution should contain an expression of sympathy with the

work of the Assembly and of the desire to recommend it to the serious consideration of the respective Governments. This is the resolution which was adopted. When I returned from Geneva I had occasion to explain the protocol to various public bodies. In order to understand what the Protocol is one must look at the Covenant. Before examining into the obligations that the various countries assume under the Protocol, one must look at the obligations already accepted by the countries that signed the Covenant in the Palace of Versailles on the 29th of June, 1919. This document was signed by the Right Hon. Charles J. Doherty and the Hon. Arthur L. Sifton, whose names will go down in history as representing Canada.

I can make the general statement that the underlying principles of the Protocol will be found in the Covenant. When we examine these suggested amendments we shall have to determine whether there is any increased responsibility to be assumed by Canada, and if so whether Canada should accept them. I simply desire at this moment to convey to the minds of my honourable friends the fact that the Covenant obligates the signatories to apply economic sanctions to an aggressor, to give financial contributions and military support. The Covenant furthermore declares that the Council of the Society of Nations-I am not using the exact language-will apportion among the various nations their respective shares of contributions. Under the Protocol this function of the Council of the League of Nations disappears. The Council no longer gives instructions or advice to the various countries as to what they shall contribute: it simply declares that the sanctions have become operative, and it is then for the nations themselves to come to the support of the League of Nations and to make their contributions according to their respective abilities.

Honourable gentlemen will remember that Article 10 in the Covenant declared that all the nations agreed to guarantee the integrity of each nation. An effort was made during the four first sittings of the Assembly to free Canada from that obligation, which the United States refused to accept, and in the fourth Assembly in 1923 a resolution brought in by the Canadian delegation would have been adopted but for the vote of Persia which prevented unanimity in the Assembly. That amendment was in the form of an interpretive clause, which stated that the obligations flowing from Article 10 would be limited by the geographic situation of a country, and that Parliament would be supreme in deciding the extent of the military

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contributions. In other words, the amendment, which nearly carried, interpreting clause 10, allowed the geographical situation of a country to enter into consideration and recognized the supremacy of each Parliament. This amendment did not carry, but my honourable friends, when reading the Protocol, will find that these safeguards are to be found in it. Of course, it may be found that the economic and financial sanctions have been made more stringent towards the adherent to the Protocol, and the question raised by the Japanese towards the end of the session may call for some explanation and discussion.

I will not enter more fully into the details of the Protocol, but will simply say that these are amendments to the Covenant which already binds us to give the Council of the League of Nations the support of Canada in the economic, financial, and military fields. I will await another occasion, perhaps when the right honourable gentleman's motion comes up, to lay the documents before the Senate and to explain the working of the Protocol under the Covenant.

Hon. J. P. B. CASGRAIN: If no one wishes to speak from the other side of the House, I am quite prepared to say now what I have to say. It is not at all controversial.

I suppose, since we are discussing the Speech from the Throne, the first thing according to ancient usage is to congratulate the mover and the seconder of the Address. It was not my good fortune to be here this afternoon to hear them, but I am sure that the ex-Prime Minister of the province of New Brunswick, a man who has been a long time in public life, must have acquitted himself with great credit. As far as the seconder of the motion is concerned, he has been 39 years in public life. Since 1886 he has never been one day out of public life, so I am sure he acquitted himself very well of the task assigned to him.

After all, there are not very many questions in the Speech from the Throne to discuss. The first thing I see is that it is the intention of the Government to regulate the high cost of living, and that this matter is engaging their very serious attention. We all say amen to that. No doubt we would all like to see the cost of living go down, but with wheat selling at \$2 a bushel—

Hon. Mr. McMEANS: No. no.

Hon. Mr. CASGRAIN: When wheat is selling at \$2 a bushel, the price of bread, the staff of life, will go up. The high cost of living has its good side too, but my honourable friend from Winnipeg (Hon. Mr. Mc-

Hon. Mr. DANDURAND.

Means) says oh, no. It depends on whose ox is gored.

Hon. Mr. McMEANS: It is not \$2 a bushel. Hon. Mr. CASGRAIN: Is it not? \$2.08? \$2.10?

Hon. Mr. McMEANS: The last quotation I heard was about \$1.92.

Hon. Mr. CASGRAIN: That is a very good price, f.o.b. Winnipeg or Fort William. It does not look as though the high cost of living was going down with wheat at \$1.92 and a few days ago it was \$2.

I regret that the ex-Minister of Labour (Hon. Mr. Robertson) is not in his seat. The cost of living cannot very well go down unless wages go down too, and I am sure the ex-Minister of Labour would be opposed to wages going down, as my honourable friend from Winnipeg is opposed to the price of wheat going down. Between the two, the poor consumer is going to be mulcted anyway.

The next thing is the regulation of railway Well, regulating railway rates is a rates. very serious matter, and it is again our friends from the West who are always asking for lower rates, and they are not the people who are paying for it. We will take a concrete case with regard to railway rates. Take for instance the Province of Saskatchewan. It is a large province, the banner province of the prairies, and it has a population almost equal to that of the city of Montreal. Saskatchewan wants a reduction of railway rates. But when there is such a reduction it must be remembered that the deficit of the Canadian National Railways is increased and somebody must pay. Who is going to pay? It will not be Saskatchewan; for when you look at the amounts paid in income tax you find that Saskatchewan pays \$2 per head, whereas we, in the Province of Quebec, pay \$10 and Ontario pays \$9.25. Ontario and Quebec are the two provinces who would have to pay for these reductions.

And who has the railways? It is not the province of Quebec. They have four times more railways, according to population, than we have in the province of Quebec. Saskatchewan, with a population nearly equal to that of Montreal, has one and a half times more railways than the entire province of Quebec.

Hon. Mr. WATSON: Do not the Saskatchewan railways all pay?

Hon. Mr. CASGRAIN: The Saskatchewan railways do not all pay. I would like my honourable friend not to say that, because Mr. Beatty, the President of the C.P.R., gave evidence under oath in this very building that all lines west of the Great Lakes brought in \$8,000 a mile gross earnings, on the average, whereas all lines east of the Great Lakes brought in \$11,000 a mile average.

Hon. Mr. McMEANS: Will the honourable gentleman permit me-

Hon. Mr. CASGRAIN: I am only commencing.

Hon. Mr. McMEANS: It has been demonstrated in this House-and I think the honourable member from Assiniboia (Hon. Mr. Turriff) produced the facts and stated them once for all-that there is not a branchline railway in the province of Manitoba or the province of Saskatchewan that is not a paying branch. It is on those branch lines that the freight originates, and everyone knows that all these lines are paying. The trouble is with the Transcontinental line. which was built by the honoured leader of the honourable gentleman, and all these other main lines. It is not with the branch lines. for they originate the freight, from which the honourable gentleman and his people in Quebec are to-day reaping the benefit and upon which they are living, and it is building up the port of Montreal and the province of Quebec. Why does the honourable gentleman make such a statement after he has been contradicted in this House time and time again and the facts have been brought down and it has been proven beyond any question of doubt that those branch lines of railway in Saskatchewan and Manitoba have paid from the very day they were laid down and the first engine ran over them? The honourable gentleman has made the same statement time and time again in this House. I wish the honourable gentleman from Assiniboia (Hon. Mr. Turriff) were here. He had the facts before him at last Session, and the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) never dared to contradict them; but now he rises and says the province of Quebec is paying for the railways in Saskatchewan. The province of Quebec is paying to-day for the city of Montreal. which has reaped the benefit of all those rates on freight that is brought there by railways in which millions of dollars of the money of the people of Canada have been invested. Now, let us have an end of that sort of thing. And let me tell the honourable gentlemen this, that-I regret very much to say so, but it is such statements as those made by the honourable gentleman, who occupies a very prominent position in Canada, that reach the West-

Hon. Mr. CASGRAIN: I hope they do.

Hon. Mr. McMEANS: And when he tells the people of the West that sort of thing, it stirs up that difference of feeling between the East and the West which has been accentuated to such an extent that it is almost putting Confederation in danger. I trust that the honourable gentleman will bear these facts in mind when he rises to make a speech in this House, and that he will have a little regard for the people of the West and not harp, harp, harp upon the Province of Quebec and what it is paying and all that sort of thing, because it is not founded on fact: there is no foundation for it, and the honourable gentleman is doing a great deal more harm than he ever dreams of. I do not desire to interrupt the honourable gentleman when he is making a speech-

Hon. Mr. CASGRAIN: It does not look like it.

Hon. Mr. McMEANS: But I cannot sit here and listen to such a statement without voicing to a certain extent my protest against any stuff of that kind.

Hon. Mr. CASGRAIN: Thank you. T made a statement which has not been contradicted. I said that Mr. E. W. Beatty, before a Committee of the House of Commons, had declared that all lines west of the Great Lakes were bringing in a gross revenue of about \$8,000 a mile, and all lines east of the Great Lakes were bringing in \$11,000 a mile. Now, if on one part of a railway you collect \$8,000 and on another part of that same railway you collect \$11,000 per mile, and there is a deficit on the whole, where will you look for the deficit? Is it where you get the most money or where you get the least money? That is what I would like to know. If you are going to look where the deficit is-

Hon. Mr. McMEANS: Will my honourable friend permit me just one word?

Hon. Mr. CASGRAIN: Will my honourable friend tell us where to find the deficit? In the province of Quebec we have 500 persons per mile, and in the prairies they have only 120. We have people to buy tickets and travel and to provide freight.

Hon. Mr. McMEANS: Will the honourable gentleman tell me this? The Government, of which he is such a very strong supporter, introduced a Bill last Session to build more lines in the West—

Hon. Mr. CASGRAIN: That is where they were wrong, and I voted against them.

Hon. Mr. McMEANS: I know, but the honourable gentleman is supporting the Government that did it. The very Government he is supporting introduced those bills. This honourable House rejected some of them, and the honourable gentleman's own leader has instituted a campaign against this honourable body for the reason that we did not approve of the building of more lines in the West. Because this Senate had thrown out two lines of railway the Prime Minister of this country started an agitation throughout Canada for the reformation of the Senate. How can the honourable gentleman reconcile that? He says there are too many lines of railway in the West. We threw out two proposed branches because we thought they should not be built, and the very Government of which the honourable gentleman is a very servile supporter-and I say it without offence-want to build more lines. Do be consistent, do be logical, when you make a statement of that kind.

¹ Hon. Mr. CASGRAIN: The honourable gentleman has not contradicted the statement about the \$8,000 and the \$11,000 gross receipts per mile. That was the argument, and he has not yet answered it. Will he contradict it? I give him a chance to make another speech and contradict it.

Hon. Mr. McMEANS: What is that?

Hon. Mr. CASGRAIN: The honourable gentleman does not speak to the subject matter. What about the \$8,000 and the \$11,000 per mile?

Hon. Mr. McMEANS: I am sure the honourable gentleman does not know.

Hon. Mr. CASGRAIN: But what about the \$8,000 and the \$11,000 per mile? Does the honourable gentleman contradict that statement?

Hon. Mr. McMEANS: I have not-

Hon. Mr. CASGRAIN: Does the honourable gentleman contradict that statement?

Hon. Mr. McMEANS: You know, the same thing-

Hon. Mr. CASGRAIN: Does the honourable gentleman contradict that statement?

Hon. Mr. McMEANS: The same thing occurred at the last Session of this House. The honourable gentleman made similar remarks, and he demanded of me an apology, but the honourable gentleman from Assiniboia (Hon. Mr. Turriff), who had the facts and figures—

Hon. Mr. CASGRAIN: Well, he had not. Hon. Mr. CASGRAIN. Hon. Mr. McMEANS: I have not the figures with me to-night.

Hon. Mr. CIASGRAIN: Sit down, then.

Hon. Mr. L'ESPERANCE: Question!

Hon. Mr. McMEANS: Now, do be a little careful, please.

Hon. Mr. CASGRAIN: Well, as I was saying, in the Province of Quebec we have 500 persons per mile, and the Prairie Provinces have 120 per mile. Anyway, if railway rates are decreased and in consequence there is less money taken by the railroads, what will happen? Somebody will have to make up for the loss; we must tax somebody. Now, the point I was trying to make was that in Quebec you will tax five persons per mile for every one who is taxed in the Prairie Provinces; or, to be literal, say you will tax four in Quebec for one in the Prairie Provinces. So where will the bulk of the money come from to make up for those reductions in rates? It must be done by taxation. The money must be found if you reduce one source of supply, that is, the freight rates. Everybody knows that the freight is the main source of revenue from a railway. Out of every \$5 taken in by the Grand Trunk system there was \$4 earned from freight and \$1 from passengers. On the C.P.R., for every \$4 there was \$3 from freight and \$1 from passenger service. So freight is the main thing. Now, if you reduce the freight rate you must find the money to make up the deficit. I claim that Ontario and Quebec will have to make it up, because if Saskatchewan pays other taxes as it pays the income tax, it will contribute \$2 a head, whereas Quebec will pay \$10 and Ontario \$9.25. That is the situation. There is no disgrace about it, but that is the way it appears. So we are paying for Saskatchewan, and I do not blame that province if we are willing to let this system go on.

In Quebec we want some railroads this year, and we want them very badly. There has been discovered in Northern Quebec something which is said to be equal to the mines of Ontario. There are in Northern Quebec no railroads. Now, there is some talk about our having railways built there. In the Quebec Legislature Hon. Mr. Patenaude, at one time a Cabinet Minister in the Borden cabinet; said: "We have too many railways; we do not want any railroads there." The proposal is to build from Mont Laurier up by Rouyn and those other townships which are supposed to be full of valuable minerals.

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Hon. Mr. McMEANS: But why does not the province of Quebec build it?

Hon. Mr. CASGRAIN: Well, let the province of Quebec build it, and we would like the three Prairie Provinces to build the Hudson Bay Railway at the same time. That suggestion is quite apropos. The honourable gentleman is making my speech much more interesting than I thought it was going to be, in a thin house. The Hudson Bay Railway has been spoken about in this House for the last twenty years and more. I remember one honourable gentleman (Sir James Lougheed)—who, I am sorry to say, is absent through illness—saying, "We have heard the annual wail of the Prophet Jeremiah," because I was against the building of that railway. I am beginning to think I was a good prophet. Now it has turned out that the provinces themselves are going to build it.

As to the railway rates, the question is a very simple one. Personally I should think that those who ship the goods should be the people to pay adequate freight, so that others in the country, who do not ship goods, need not be taxed on that account. That, I think, is a very simple proposition, and is fair. It is the same principle as that of the old toll road, on which everybody who travelled had to pay toll. If any person wants to ship some goods, he ought to pay the proper rate. The province of Ontario is a little better off than we in Quebec are so far as railways are concerned. They have 250 persons per mile of railway; so they have twice as much mileage in proportion as Quebec. I must say, though, that it is in the province of Ontario that the biggest traffic is to be found; it is around Toronto that the biggest traffic on railways is being done to-day on both the Canadian National and the C.P.R. The honourable the Ex-Minister of Labour (Hon. Mr. Robertson) knows that it is in the manufacturing and industrial centres in the province of Ontario that the most business on the railways is being done, and not in Quebec. But some people from the West would say that it is in Ontario, where the business is being done, that the deficit arises. On the prairies there are a few carloads now and then on a branch line during the greater part of the time, and it is necessary to keep the rolling stock on hand for twelve months in order that it may be used for three months at most.

Hon. Mr. WATSON: There are 400,000,000 bushels of wheat.

Hon. Mr. CASGRAIN: It is necessary to earn all the money in two or three months, whereas the railways in Ontario work twelve months in the year. Certain honourable gentlemen, who have never made any study of this sort of thing, would have this honourable House believe that the deficit would arise where the business is being done, and the surplus would be where there is no business done during nine months out of twelve.

Hon. Mr. WATSON: 400,000,000 bushels of wheat.

Hon. Mr. CASGRAIN: There is another point. The commodity wheat, they give us to carry is carried at very little above cost. I am obliged to the honourable member from Portage La Prairie (Hon. Mr. Watson) for reminding me of that point. Wheat is the cheapest commodity carried: it is carried almost at cost: there is no money in it. It is the packet freight that pays, and it pays three or four times more than wheat per ton. Yet it is said that wheat is a great commodity. Why, years and years ago, when the C.P.R. had almost a monopoly, I was riding home on one occasion with Sir Thomas Shaughnessy, who was afterwards Lord Shaughnessy, and was saying to him, "The C.P.R. is making much money, because there was a big crop and you have had the carrying of the wheat," he said to me: "The wheat crop provides only one-eighth of the earnings of the C.P.R." That was years ago, when the C.P.R. had a monopoly.

We will now leave the question of railway rates and will take up now the matter of regulating the rates on the mighty ocean. England has a great mercantile marine, yet it has never been able to regulate ocean rates. and there is no power on earth that can regulate those rates. They are regulated every day just like the ticker on the stock exchange. If the rates go down one-eighth of a farthing, that fact is telegraphed the world over. When a ship is on the high seas there must be three elements to enable it to operate and meet the competition: first, it must have the cheapest money in the world; second, it must have the cheapest labour in the world; and, third, it must have the highest efficiency.

I said it must have the cheapest money in the world. Everyone knows that when you go and buy a ship in England you pay perhaps 25 or 30 per cent cash and are lent the rest of the money, and there is a mortgage left on the ship at the very lowest rate of interest in the world. The ship would be well insured. The shipyard owns the insurance, and if the ship goes to the bottom or any accident happens to it, it is a quick sale and that is all there is to it—there is no loss. You cannot beat Englishmen in business. Therefore the ships of the British mercantile marine have the cheapest money in the world.

As to labour, what about the Laskars? What about the Chinese labourers? People who live on the Pacific coast see those Chinamen who come in on the C.P.R. boats and who eat a handful of rice and a piece of raw fish. They are paid I do not know what wages. What do the Laskars get? Go down to any ocean port that is at all busy and you will see as many blacks as white men. There are also many Norwegians, and I knew Norwegian sailors who got \$6 a month, and were fed on nothing but corned beef and hardtack, and were strong and husky. A Norwegian captain whom I knew well, and who was a welleducated man was getting the large sum of \$40 a month, and was expecting to get \$50. That is the sort of competition you have to meet on the high seas. Can you regulate that? But there is this possibility that the task of regulating rates may have a bad effect, because it is telegraphed everywhere, and people are planning where to send their ships this summer, and if they think there is going to be, not hostility, but ill-will, some control which will prevent the ship charging all it can possibly get, the owners will simply say, "We will go to another port." There can be no doubt about that. There is where the danger lies.

Are those ships making money? Well, honourable gentlemen, look at the London Times and see the quotations of all the S.S. shares. Mind you, I am making this statement here on my responsibility as a Senator and as one who has never deceived this House in 25 years-not intentionally at any rate. If the House has been misled it was because I was not better informed. Look at the London Times to-day and you will see what shares are worth to-day. Compare that with what they were worth say in 1922, and you will find that shares that were then worth 45 shillings are now selling for 16 shillings. I have it on the authority of men who are well informed that those shares to-day would not net fifty cents on the dollar as compared with the price in 1922.

Now people think they are making too much money, and they talk about the North Atlantic Conference, while, I think our own Canadian Government Merchant Marine was in it, so I do not see that we can do very much to control rates; but I assure you there is one thing we might do in another way. I am told—I only got the information be-Hon, Mr. CASGRAIN. tween 12 and 1 o'clock to-day—that the United States was actually shipping out of Montreal more than half the wheat shipped from that port. I have heard over and over again about wheat going to Buffalo, and so on, but I am informed that 55 per cent of the wheat going out from the port of Montreal is American wheat. We never hear about that. If we subsidize boats so as to bring down rates, the Americans may say: "Very well, we will prevent the export of wheat except through our own ports." And that would be a very great loss to the port of Montreal.

Hon. Mr. DANDURAND: Would they not be happy to get the lower rates on shipping?

Hon. Mr. CASGRAIN: Yes, but if the Government fixes a lower rate through a subsidy and draws commodities from the American railroads I am informed that the United States will simply say to the shippers: "No, you will have to ship your commodities by American routes and through American ports," in the same way that we are trying to control our shippers for Canadian ports.

There is another very serious question. I have before me a table containing a list of vessels built outside of Canada from the beginning of 1922 to the end of 1924. This list gives the names of the ships, the dimensions, the name of the builder, the place where they were built, the year they were built, the gross tonnage, and the names of the owners, and I find that we have bought lately between 1922 and 1924—

Hon. Mr. DANDURAND: Who?

Hon. Mr. CASGRAIN: The people of this country have bought 45 ships that are shown on this list, and there are some ships that I know of that have been missed in this list. There is a memorandum at the bottom of the page which says:

In addition to the other mentioned ships, 10 ships are now being built in Great Britain for Canadian coastwise trade and will be ready for commission early in 1925. The purchase price of the ships mentioned in this schedule is in excess of \$40,000,000.

Here is \$40,000,000 of good Canadian money that left Canada to go and buy ships in England. I know of one firm, a big firm that has no less than two shipyards in this country, that actually had three ships built this year in England because our yards could not build them as cheaply. On enquiry I find British ships come into Canada free of duty.

Wages are a very large part of the cost of a ship, namely, 50 per cent. In England they pay \$11.25 a week to the men employed around the ships, and in Canada they pay \$22.65, or almost twice as much; so, with that difference in wages, it is quite evident that competition could not go on in the building of ships. Fancy what would have happened if these \$40,000,000 for ships were being spent in this country, as they were built before the war when we were building our own ships. If these ships had been built here, that amount of money would have been available for wages. In the building of the ships alone we would have had \$20,000,000 distributed among the working men of this country, and the production of the iron that would have gone into those ships, and the coal that would have been required, would have given work to our miners. I would say that \$37,000,000 in all would have gone to our people in wages in one way or another, and then would have gone back to the farmer, because when these men wanted their breakfast, where would they have to go? They would have to go to the farmer. At noon it would be the same thing again, and the same thing at night, and ultimately the farmer would have got the benefit of that money.

What I hope is that this Session the Government will make it possible for our shipyards to do something. I understand that there are petitions before the Government to that effect. Surely our shipyards have been idle long enough. I am told that there are 15 large shipyards in Canada, right over the country from the Atlantic to the Pacific-at Halifax, St. John, along the St. Lawrence. at Point Levis, on the Great Lakes, at Collingwood, and in British Columbia. Surely some policy can be devised by which these shipyards, which have been idle so long, might start work again. It would be an excellent thing not only for the thousands of men who work in the ship yards, but also for the farming community. There would be no talk then of the cost of transportation; the market would be right there. The farmer could sell his meat and potatoes right there, and that would eliminate to a great extent the cost of transportation.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: Two of the three ships of this one firm that I have mentioned are now carrying package freight from Montreal to Port Arthur and Fort William, and the third vessel, the larger one of the three, one of the coal boats which has its own machinery for loading and unloading on board, is now distributing American coal to the various ports on Lake Ontario. There is that ship going about distributing American coal, a ship in which there is not one day of Canadian labour, neither in the coal. Is it not time that we tried to remedy the situation?

When you talk about the coal and steel industries of this country, it is really a sad story. You see the ships coming from England laden with coal from the other side and passing right by Cape Breton. Why? I admit that the coal of Cape Breton is hard to mine. but on the other hand, what is the difference in the wages of the men in England and those in Cape Breton? There are honourable gentlemen in this House who know better than I do what the difference is. But the fact remains that these ships coming from England laden with British coal, whether Welsh anthracite or Scotch anthracite or bituminous coal. and so on, and a greater quantity went up the St. Lawrence river last year than ever before. And yet we have coal mines that are said to be the very best. I see the ex-Minister of Labour nodding his head to that.

If the Government could do something by protecting this coal it would help. Forty per cent is slack coal, and there is practically no protection on slack coal. With the improvements that they have in furnaces, bituminous slack coal is being used, as well as slack anthracite, and with a blower it is sufficient to raise steam, and is nearly as efficient as the coal that comes from the United States and competes with it.

What is the consequence? Our miners in Cape Breton and at Springhill are idle because we have not enough protection on the coal, and that is a very serious thing, because a very large proportion of the population down there are dependent on the coal mines. When the coal mines are prosperous, the province of Nova Scotia and even New Brunswick, which is adjoining, enjoy prosperity, and farm products are sent in to feed the men who take the coal out of the mines. I sincerely hope the Government will be able to do something this Session to relieve the iron and steel industries and the coal industry of Cape Breton.

Hon. Mr. ROBERTSON: For the purpose of information may I ask the honourable gentleman a question? I think it is probably true that the English miner, because of very steady employment, has earned as much as the miner in Cape Breton, but is it not correct to say that because a large proportion of ocean-borne traffic is eastbound, that coal comes from Wales to Canada as ballast, and because there is no protection the foreign coal is coming in here? Also, will not the same appeal that my honourable friend makes for slack coal apply to all grades mined in that territory?

Hon. Mr. CASGRAIN: The honourable gentleman is perfectly right. Very often boats do come out with coal ballast, and they are glad to take it too. I have seen wheat used as ballast. I have seen Allan liners leaving Montreal carrying wheat as ballast, and they have gone to Liverpool and have come back carrying the same wheat. But the fact remains that it is a great pity. If the Government could do its share, and the miners could do their share, it would help the situation. It is time we got together. They would get steady employment and at the end of the 365 days they would have more money than they now get working spasmodically. At present no coal company in Cape Breton can work all through the winter stacking coal, as they call it-piling it up-because it has to be moved once more when it has to be shipped. So, during the winter time work is slack because there is no money in it.

With regard to the steel industry, which uses lots of coal, what is the situation? Belgian rods are coming into St. John, N.B., cheaper than they can be made here. When rods were made in Cape Breton it took nearly four tons of coal to make a ton of steel, and now that industry is gone too, and the Maritime Provinces are suffering very much. I take this opportunity of expressing the wish that during the present Session something may be done to relieve that most difficult situation.

Now, as to the ships on the Great Lakesand I am sorry the honourable gentleman from Simcoe (Hon. Mr. Bennett) is not here -it is not a very pleasant outlook either. People who have paid one hundred cents on the dollar for their stocks have not been getting any dividends for the past four years. This is surely not because these ships are making too much money. Honourable members of this House should understand very well by now that carrying in Canadian bottoms on the Great Lakes is not very profitable. In May, and perhaps for the first week in June, these ships are employed in taking down all the wheat that was left over from the previous fall. It does not take very long to carry that wheat down. At the end of May, or by the second week in June, the wheat is all down, and what are those ships to do all summer? Our ships are not allowed to go to American ports, to the Mississaba range, for instance, and load up; nevertheless, in the fall of the year our Government sometimes suspends the coasting laws and allows the American ships

Hon. Mr. ROBERTSON.

to do what our Canadian vessels are not supposed to do. Only two years ago that was done, and such a congestion was created that the Canadian boats lost a trip.

That is a pretty blue picture. Let us look at the other side of the medal now. That conditions in this country are very much better, there is no doubt. We have witnesses to that in two of our greater institutions, who say they have had the very best year they have ever had. If you read the annual review of the Montreal Herald, you will find letters from secretaries of boards of trade and chambers of commerce, and mayors of various towns, who all agree and write letters speaking of the progress made during 1924. These people never saw each other and could not possibly have conspired together to make false reports. There are letters from British Columbia and from the Maritime Provinces, and there are letters from central Canada. They all say that the year 1924 was the best they have ever had, and they name the improvements that have been made in their particular localities during that time. So things are getting better in the country, and if the few suggestions that I make just now are heard by the Government I think things will be infinitely better.

But there is one question that is paramount, the most serious question that has ever engaged the attention of the Parliament of Canada, and it has to do with what is taking place every day of the year. I am referring to the diversion of water by the Sanitary District of Chicago. That diversion means that our birthright has been interfered with, that the St. Lawrence river has actually been depleted-that the navigable capacity of the Great Lakes and the St. Lawrence river, and of the port of Montreal, is being impaired by a mighty foreign power in order in the first place to provide sewage facilities to the city of Chicago, and eventually to empty the water into the Mississippi river. When I learned that there was a case before the Supreme Court of the United States in regard to this question, I thought that the United States would argue against the Sanitary District of Chicago. I have before me a brief of the case in the Supreme Court of the United States, October term, 1924. It is the Sanitary District of Chicago, Appellant, against the United States of America, Appellee. This document that I have in my hand is the brief of the argument of the appellant. Here I have the brief of the appellee, the United States of America. You can see from the way in which the book is worn that I have gone through it many a time. In it you will find that Harlan F. Stone,

Attorney General of the United States, says that the diversion is illegal. He says that for 319 pages, and there are 321 pages in the book. He spoils his argument in the last two pages. This is a very interesting case. I spoke in the Senate about it fifteen or sixteen years ago. It started away back more than a century ago. The idea of taking water from Lake Michigan and the first legislation in the United States regarding it originated in 1822; and in 1827-I suppose the State of Illinois was not established thenthe United States actually authorized a canal of unlimited width and undefined depth, with 90 feet on each side of the canal, to take water from Lake Michigan to the Illinois It was in 1845 that the works were river. started, and this canal has been built. Now we have the word of the Attorney General of the United States, who says that ten times more water is being used to-day than is necessary for navigation purposes.

The story of this case is a long one. The case was before the Court for sixteen years. It first went before Judge Landis, who, I am told, is very well known and is now the authority governing the baseball teams in the United States.

Hon. Mr. DANDURAND: He was from Chicago?

Hon. Mr. CASGRAIN: He was from Chicago and is still. He took the case and started hearing witnesses. How long do you think he took to hear the witnesses, honourable gentlemen? He took six years; and after the sixth year he commenced to deliberate upon the case. And there is where it seems very strange, because, as you will find in this book from the United States, it was not necessary to go to law about it. The Attorney General says that the strong arm of the United States of America could have been used; that the army and the militia could have been called in to stop action at once; but that was never done. However, Judge Landis deliberated for six years more, or a total of twelve years, and then brought down what they call a decree, or what we in Canada call a judgment; but he hinted that he might amend that decree, and in order to make up his mind whether to amend it or not he took three years more, making fifteen years, and he never amended it at all, but left it just as it was. The decree, of course, was to the effect that the thing was illegal. Anybody who has ever had anything to do with water courses knows that a stream cannot be diverted for the benefit of one person to the detriment of another. That is not only international law, but it is

common law. However, Judge Landis at last declared that he would not amend the decree, and the Sanitary District of Chicago carried the case before the Supreme Court of the United States, in Washington. Here is the brief of the Sanitary District, and this is the brief of the United States.

Early in January the Supreme Court of the United States naturally confirmed the decree of Judge Landis, but they could not help qualifying as "unprecedented" the delay that had taken place. They did not absolutely censure him, but referred in polite judicial language, which the lawyers whom I see around me would understand, to the remarkable delay, for which there was absolutely no excuse. During all this time the work was going on, and then you would have what we call a "fait accompli"-you would have the thing done and it could not be undone. The sum of \$100,000,000 had been Is it likely, honourable gentlemen, spent. that that sum of money is going to be scrapped to-day?

The water that should flow down the St. Lawrence is going first into La Rivière des Plaines, then into the Illinois, then into the Mississippi and right down to the Gulf. This is an old, old story, but what we do not all realize is the immense quantity of water that is being taken away. When you read in the newspapers about 4,167 cubic feet per second it looks very small. Even that figure is a camouflage. There was a sort of treaty made between Canada and the United States by which they were entitled to take 250,000 cubic feet per minute; and if you divide that by 60 you get the odd figure that I have just mentioned. This supposed treaty was entered into and signed on the 11th of January, 1909, and was ratified by the Senate of the United States in May of the same year, and they were entitled to this 250,000 cubic feet until lately. What is almost incredible, those three British Commissioners actually agreed to sign that treaty though the Chicago Sanitary District were absolutely violating every condition of it at the very time the treaty was being made. It is very easy to keep a record of the amount of water going through a canal; but when they asked to see the records they were absolutely denied access to any documents for five years previous to the time they signed the treaty. I do not know who those British Commissioners were, but they signed that treaty without knowing what they were signing, and at a time when the other party in the case absolutely denied them access to any documents or any data in its possession. However, the treaty has been signed and I

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think that in Canada, as throughout the British Empire, a treaty is a treaty and not a scrap of paper, and we must live up to it. But why should we agree to more than 250,000 cubic feet per minute? That is the question. In the judgment rendered by the Supreme Court of the United States last month it was declared, "You shall not take more than that quantity," but they said it would be permissible for the Secretary of War to issue a permit, and yesterday we received the news that the permit had been issued for more than twice the amount stipulated in the treaty. The rights of Canada are ignored. No notice whatever is taken of them. It is just as if the United States had absolute control over the whole matter.

The quantity that is now being taken, 600,000 cubic feet per minute, is equal to 10,000 cubic feet per second. May I make a comparison in order that this honourable House may have some appreciation of the quantity of water that is being diverted? Take a lake 31 miles square. It would lower that lake every day one foot. In Chicago, which has 3,000,000 of a population, there is used in one day, for sanitary and domestic purposes, as much water as the city of Montreal, with one-third of the population, uses in one year. They tell us it is for sanitary purposes. We know Lake Abitibi. It is a great lake, 350 square miles. Well, if the daily supply were shut off, Lake Abitibi would be emptied by that canal in 66 days.

The St. Maurice is a good-sized river. The regulated flow of the St. Maurice is 10,000 cubic feet per second; that is, with the improvements of the Gouin Dam. Under the régime of Sir Lomer Gouin there was built at the head-waters of the St. Maurice River a huge dam. It actually doubles the quantity of the flow of the St. Maurice, because the water is husbanded in the spring of the year and is paid out during the summer. The amount of water taken, the regulated flow, is 12,000 cubic feet per second, but the natural flow of the St. Maurice was only one-half of that. Now there is being taken in the Chicago Drainage Canal nearly twice as much water as the natural flow of the St. Maurice River.

The Saguenay is a mighty river, emptying out of Lake St. John. The minimum flow, before the improvements were made there, was just a little more than they are diverting at Chicago. The Chicago Canal is drawing just one-sixth less water than the whole Saguenay River. The great Chippewa power scheme, under the Ontario Hydro-Electric Commission, will develop eventually between 500,000 and 600,000 horse-power. That is

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using very little more water than the Sanitary District of Chicago is using. It is using more, but very little more.

Mr. Harlan F. Stone, the Attorney General of the United States, says they are using ten times more water than is necessary for navigation purposes. They are using ten times more water than the Lachine Canal.

You all see the Ottawa River here. The normal flow of the Ottawa—it is regulated now, but I refer to the natural flow—is 15,200 feet per second, and to-day the Chicago Sanitary District are using 12,000 feet; for, now that there has been this quarrel, they are using still more.

I may say that out of this canal, which is about 28 miles long, at a place called Lockport, just four or five miles north of the town of Joliette, they are now developing 36,000 horse-power on a drop of 34 feet. If that were going over Niagara Falls and coming down to Montreal, you could multiply that by ten and then you would have about the amount of horse-power that could be developed with that same amount of water.

What has been the effect on our lakes? It has had the effect of lowering the level of all the lakes except Lake Superior by one-half a foot. That means that an ordinary lake freighter loses on every load about 400 tons, or 13,200 bushels of wheat, that he cannot carry; and, as they calculate that there are about twenty trips a year, every one of our vessels loses one full trip during the year. The American Shipping Federation—and they say it themselves—lose by that lowering of the lakes, at the lowest possible estimate, \$1,000.000 a year.

Now, the Canadian Shipping Federation have filed their claim with the Secretary of War in the United States. The Canadian Shipping Federation say that above Montreal there is a loss to Canadian shipping by the lowering of the water of \$273,093. Remember, these figures are found in the briefs of the United States themselves. And below Montreal there is a loss of \$322,675. Mark you, honourable gentlemen, at Montreal they have reduced the level of the water by ten and a quarter inches. You see what an immense quantity of additional freight can be carried by sinking one of those big ocean steamers ten inches more. They are losing that. Adding these figures together, you find that there is \$595,768 damage done to Canadian shipping annually by the action of the Chicago Sanitary Canal.

Now, think of the untold millions that were spent in dredging the channel to bring it down to that, and remember also that ships have been designed specially for the St. Lawrence trade, in order to be able to use the very last inch available. All the lake ships have been unable to carry a full load for the last ten years or so. They have lost, as I have stated, about 400 tons, which is a large amount, as everyone will understand. Furthermore, as the channels have all been built for a draught of 20 feet, including the Poe Lock and the Canadian Lock, etc., this has been the cause of grounding of I do not know how many ships. In the case of an obstruction to a river, the Federal Government here or the Federal Government of the United States may intervene, because no one has a right to cause an obstruction. It is quite apparent to anyone that a river would be obstructed, if, for instance, a bridge were too low and ships could not pass under it, because the ship would strike the bridge. But you create just as bad an obstruction if the water is lowered so that the ship touches the bottom. In the eye of the law an obstruction is created in that way just as if the ship were obstructed by a bridge, and it must be remedied. The Federal Government of the United States declare that you cannot impair the navigable capacity of any river in the United States. It is stated by Mr. R. J. Maclean, who is Secretary of the Committee of the Chamber of Commerce of Detroit for Inland Waterways-these are not my words-that the diversion of water there is a diabolical scheme, impairing the navigable capacity of the whole river St. Lawrence and of all the Great Lakes. Honourable gentlemen, the St. Lawrence River is our greatest inheritance. It is the birthright of all Canadians, and it is being endangered by a mighty foreign power. It is the artery of our commercial life, and it is being bled by the Chicago Sanitary District for the benefit of the navigable capacity of the Mississippi.

There was one great Canadian who went to the United States and became famous—James J. Hill. Mr. Hill at one time talked about waterways because it was the popular thing to do. There have been spasms about the waterways of this country, and every other country too. My honourable friend next to me, who is asleep, perhaps—

Hon. Mr. BELCOURT: I have not slept a second.

Hon. Mr. CASGRAIN: I beg the honourable gentleman's pardon. His eyes were closed.

The members who were in this House 15 years ago will remember all the excitement and all the speeches made about the Georgian Bay canal. Everybody was for the Georgian Bay canal with the exception of one man in this House who had the courage to get up and say what he thought. That was the late W. C. Edwards, who said the Georgian Bay canal was no good. Everybody frowned on him and thought he was a kicker, but as a matter of fact he was the one who was right. I was one of the guilty ones; I made long speeches in favour of the canal right in this House. I think the honourable member from Mille Iles (Hon. Mr. David) will remember that in the name of a friend of his he asked me to start a discussion in this Chamber, and I did; and I devoted hours of study to the question, and I think I made as good a speech as any of the others. But I admit to-day that the information that we had was not as good as I think it should have been, because large ships cannot be economically operated in these restricted channels. Therefore, if the Georgian Bay canal had been built, the ships, as Senator Edwards said, would take less time in going around than in going through the canal.

In the United States they have had the same thing. They have been talking, and in 1907 Mr. Hill said that the business of the United States had increased tenfold while the railways had increased only about two or threefold; therefore the railways could no longer do the business, and that the only thing was to have a canal from the lakes to the south, a distance of 1,610 miles, with a depth of 20 feet, so that ocean ships could come into the Gulf of Mexico and sail right up to Chicago, and that the flags of all nations would fly in the roadstead of Chicago. Mr. Hill was a very acute politician, and acute politicians always have their fingers on the pulse of the public. If they find the public want something they decide that is what they have been wanting all the time, and they to make speeches about it. commence Then the effusion for oratory spreads, and for notoriety some of the newspapers take it up. The other newspapers, if they are recalcitrant, are spoken to. The contractors think they will be permitted to build the work; the real estate agents and all those who have industries along the line take it up. At that time Mr. Hill was afraid of restrictive legislation in regard to the railways, so he went to Chicago and made a speech about this canal. But the same Mr. Hill a few years ago said that if they wanted to navigate through the Mississippi they would have to lath and plaster the sides and bottom first. Then it was found out that if a ship tried to come up the Mississippi 1,600 miles and down again, it would take 45 days to make the trip. But the excitement continued, and in 1907 Theodore Roosevelt floated down the

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Mississippi from Keokuk to Memphis, and never before was there such a celebration. The shores of the river were lined with people, the sirens shrieked all night, and whistles were blowing, bands playing, and people cheering. But he went back to Washington and seemed to have forgotten all about it.

Two years after that Mr. Taft came along. I am saying this because of the talk about a St. Lawrence ship canal. Mr. Taft floated down the Mississippi river, and there was a great convention, with 5,000 people present. They were going to have a canal then. That was in 1909, and they have not put a spade to it yet. I do not suppose they will ever put a spade to the St. Lawrence ship canal either.

After what we have seen of the action of our friends on the other side of the line, we ought to be pretty chary about going into partnership with them in making a ship canal down the St. Lawrence from Lake Ontario. As I say, we should be chary when to-day, after the judgment of the Supreme Court, the Secretary of War issues a permit giving the Sanitary District 5 years during which they can take twice the amount of water stipulated in the treaty. What chance would we have with them? None whatever. Canada has protested, but protested in vain. We have never been able to get any satisfaction. They have kept right on taking the water that did not belong to them, and we have not been able to stop them.

Some people say: "You belong to the League of Nations: why do you not go to them and get some value for the \$500 a day you are paying?" Now, do you think the United States would mind the League of Nations very much? The League of Nations is all right: it is a fine institution, made for angels, not for men. However, they say the League of Nations could settle all these little difficulties. But I have not very much confidence in that, because I do not know how many who go to the League of Nations are sincere. I believe that visionary illuminati statesman who used to be the Right Honourable Sir Robert Cecil may be sincere, but still he seems to stultify himself when he says that if the articles of the League of Nations are not followed, then Europe ceases to exist. They have not been followed very often, and Europe still exists. He stultifies himself when he is in favour of the Singapore base, where the greatest fortress that the world has ever seen is going to be erected. If there is going to be no war, what is the

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use of that? Can Australia be sincere, breathing the invigorating air of the shores of Lake Leman, and sipping the sparkling wines of France and observing that wonderful institution called the "frais de representation" in action-and then ask for the Singapore fortress. What about New Zealand? It is in exactly the same position. What about France, with the biggest army she ever And what about England, with her had? soldiers in Cologne, and building the biggest battleships that ever were. Look at the Renown. The world never saw anything like that ship that came around the world advertising Great Britain's navy. Does that look like peace? No, I do not think we can get any help from the League of Nations. They will get our \$500 a day, of which \$200 goes every day to that notorious socialist Albert Thomas, to keep up socialism throughout the world.

No, we have only one place where we can go for help, and that is the foot of the Throne. We are fortunate enough to be members of a great empire, the biggest the world has ever known-an empire covering one-quarter of the surface of the globe, 17,000,000 square miles since the war and 15,000,000 before; an empire consisting of one-quarter of the human race, and all under the rule of our King George. That is where even the humblest subject can bring his grievance. Surely the prayer of a people nine millions strong should be heard. I believe that if we apply to England we can get redress. The United States are doing what they themselves say is illegal in impairing the navigable capacity of the St. Lawrence and of the Great Lakes for the benefit of a route from the lakes to the Gulf of Mexico. I say that if we apply to His Majesty the King we will be heard, and that Canada would get if not all her rights-because we signed away part of our birthright -at least the balance of them. Surely we have made enough sacrifices. There are men in this Chamber and in another place who lost their sons in the war; others have been prisoners in Germany, men who wish they had been killed on the battlefield.

I am not ashamed to own that I am an Imperialist, always have been, and hope always to be. I believe in the unity of the Empire. I do not believe in the dismemberment of the Empire into small nations masquerading as sovereigns states at the League of Nations at Geneva. I believe we should be protected, and there is only one place to get that protection—the foot of the Throne. It is only the strong and mighty arm of England

that can give us that protection, and England is aware of it. The Colonial Secretary, the Right Honourable Colonel Amery, is aware of all this. I took good care that a certain paper should be sent to him regularly. He was informed that our damage bill amounting to \$595,768 per year should be sent to the British Ambassador at Washington-the real Ambassador at Washington-asking him to collect the money for it. If he failed to collect the money, if there was any talk about reparations, then there is the Right Honourable Winston Churchill, who as Chancellor of the Exchequer, pays I think £55,000,000 a year to the United States. We will say to "Before you pay that money over, him: remember that there are subjects of His Majesty who are being despoiled of their rights in Canada. Keep that money back; hand it over to Ottawa; we need it here and it is ours." We have proven our loyalty to Great Britain; we cannot provide all the loyalty. This is the acid test, and I am Imperialist enough, and proud of it, to believe that England will help us and will see that the rights of Canada are maintained. and that the old saying, 2,000 years old, "Civis Romanus sum," will apply to-day, and that when we say, "Civis Britannicus sum," we would have our rights respected throughout the world.

Hon. L. McMEANS: Honourable gentlemen, I had no intention of addressing the House on the Speech from the Throne, but I cannot resist the temptation of congratulating the honourable gentleman who has just taken his seat, and also the mover and the seconder of the resolution which is now before us.

The mover of the resolution, in a very carefully-prepared and admirable speech, reviewed the situation in Canada; but if you look into his speech carefully you will find that there was no method suggested by which the conditions of the country are to be improved. The seconder of the resolution made, I believe, a very admirable speech, which I regret to say, I could not understand owing to my unfortunate education.

However, as I said in opening, I do desire to congratulate the gentleman who has just sat down. I do not know where one could find a more severe arraignment of the Government than the honourable gentleman has just made. He has condemned the Government in every possible way. He condemned them for the proposition to reduce ocean rates; he condemned them because they were going to build branch lines throughout Saskatchewan and other parts of the West. He condemned the Government for everything that is mentioned in the Speech from the Throne.

The Speech from the Throne is a very remarkable one, remarkable for what it does not say. It is apparent to every member of this House, as it is to every citizen of Canada, that this country is languishing, that it is in great distress, that our industries are in peril, that the farmers of the West are suffering from heavy freight rates. There is nothing in the Speech from the Throne that proposes the slightest degree of amelioration. The people have asked for bread; the Government has given them a stone. Even in the last speech of the Prime Minister made in Toronto a short time ago, he said he was going to stop tinkering with the tariff. At the great Liberal Convention, where my honourable friend who has just sat down took a very active part, I believe, free trade was promised.

Hon. Mr. CASGRAIN: No, no.

Hon. Mr. McMEANS: There were numerous things mentioned then that we have not heard of since. The Government reduced. or pretended to reduce, the duty on agricultural implements, and were going to do many other things. One thing that I would like to call attention to is the statement that they were going to effect rigid economy in the administration of affairs. Has there been any reduction in the cost or any economy in the carrying on of the Government of this country? As a matter of fact, the cost has increased. They have imposed burdens under which the people are groaning. It is almost impossible for an industry to be established or for a man to carry on his business. He is taxed to death, and instead of the economy that was promised by the present Administration, the burden has become greater.

The honourable gentleman has said a great deal about the United States Government. As to the diversion of the water across the line I quite agree with him in every way. But what are the present Government doing about it? Have the Government which the honourable gentleman supports so warmly taken any action? None whatever. In that respect also he has shown the weakness of the present Administration.

There is one matter to which I would like to call the honourable gentleman's attention, however, and it is principally for this reason that I have risen. I shall not detain the House by looking up some data I have here with regard to railways in the West. The honourable gentleman has on several occasions stated to this House that the people

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of Ontario and Quebec were burdened by the fact that lines were built in the Western previnces that did not pay. I took occasion once to contradict the honourable gentleman, and on the following day he came to this House and stated that this was the first time in a quarter of a century, or about 27 years, that anybody had had the audacity to contradict him in this House. He said he had some figures to prove his statement. The honourable member from Assiniboia (Hon. Mr. Turiff) told the honourable gentleman that he would undertake to lay before this House, if permitted, statistics which would show that not one branch line in the Western provinces, whether Manitoba, Saskatchewan, or Alberta, was an unprofitable part of the railway system, either the Canadian National or the C.P.R., and in support of that contention the honourable member from Assiniboia gave as his authority the Railway Commission that had inquired into it. Yet the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) seizes every opportunity he can to declare in this House that the taxpayers of Quebec and Ontario-he includes both, because it is a comparison of East and West-are paying for the branch lines in the Western provinces.

Hon. Mr. CASGRAIN: Absolutely.

Hon. Mr. McMEANS: Let me quote to the honourable gentleman just what was said. If he will pardon me for just a moment, I will give him the figures.

Hon. Mr. CASGRAIN: If I am wrong, I would like to know it.

Hon. Mr. McMEANS: The honourable member from De Lanaudière rose to a question of privilege and said:

This is the first time in 24 years that anybody has contradicted me.

Then he goes on to say that it was his intention to bring the matter up again. Here is what the honourable gentleman from Assiniboia (Hon. Mr. Turriff) said, and he has never been contradicted since that day:

I just want to give that statement an absolute denial, and assert that the C.P.R. and the Canadian National Railways make double the money net profit in the West that they do in the East; and I will take the first opportunity when the House meets again of putting the figures on Hansard, because I have them right here.

Hon. Mr. CASGRAIN: He never did, though, and the figures are not there.

Hon. Mr. McMEANS: Will the honourable gentleman say that the statement is not correct?

Hon. Mr. CASGRAIN: Yes. Hon. Mr. McMEANS. Hon. Mr. McMEANS: Will the honourable gentleman state to-day in this House that the lines in Saskatchewan and the other Prairie Provinces are not paying?

Hon. Mr. CASGRAIN: I qualified my statement-

Hon. Mr. McMEANS: Will the honourable gentleman make that statement now?

Hon. Mr. CASGRAIN: Absolutely.

Hon. Mr. McMEANS: That they are not paying and never did pay?

Hon. Mr. CASGRAIN: I say that there is a big deficit on the National Railways—

Hon. Mr. McMEANS: Yes.

Hon. Mr. CASGRAIN: We agree as far as that goes.

Hon. Mr. McMEANS: Yes.

Hon. Mr. CASGRAIN: There is a deficit. I say that the total receipts are only \$8,000 a mile in the West and they are \$11,000 a mile in the East. Where is the deficit?

Hon. Mr. McMEANS: I do not know, but I fancy it comes from the lines north of Lake Superior that go towards Montreal. I want to remove the impression that the honourable gentleman has created regarding the branch lines in the Prairie Provinces. The freight is there waiting to be hauled and the deficit does not arise there. The honourable gentle-man is wrong when he makes a statement which would lead this House to believe that the Province of Quebec or the Province of Ontario is paying for the branch lines in the Prairie Provinces, because the reverse is the case. The profits on the long haul that the honourable gentleman speaks of help to develop the great city of Montreal, which is reaping benefit in every possible way, both in its manufactures and in its export trade. Now, I do hope the honourable gentleman will have a change of heart.

Hon. Mr. CASGRAIN: Will the honourable gentleman answer just one question? If those railways were profitable in the Northwest—and there is where the great mileage is —why is it that when they were under the control of the various provinces, some of Manitoba, some of Saskatchewan and some of Alberta, we had to take them over and pay the coupons which the provinces never could pay?

Hon. Mr. McMEANS: I will tell the honourable gentleman why. Because the Government of which he was a supporter built a road called the Transcontinental, all the way across the northern part of the country, where there was not a town or village in which freight could originate.

Hon. Mr. CASGRAIN: That has nothing to do with the country west of Winnipeg.

Hon. Mr. McMEANS: Surely the honourable gentleman is not so devoid of ordinary intelligence as to think that in a fertile country where it costs very little to lay down rails and very little for grading, because there is no rock cutting or work of that kind to be done, it is unprofitable to build a railway.

Hon. Mr. CASGRAIN: Can the honourable gentleman tell me what the Grand Trunk Pacific cost this country?

Hon. Mr. McMEANS: I cannot tell. I have not the figures.

Hon. Mr. CASGRAIN: I will tell the honourable gentleman. The Grand Trunk Pacific cost over \$50,000 a mile from Winnipeg to Edmonton; and the Transcontinental does not go west of Winnipeg.

Hon. Mr. McMEANS: I am not surprised at that figure. But under whose auspices was the Grand Trunk Pacific built? And where was the honourable gentleman when it was being built?

Hon. Mr. CASGRAIN: Right here.

Hon. Mr. McMEANS: He was there supporting it. It does not cost anything so far as the Prairie Provinces are concerned. It is in those provinces that the crop is produced. I remember the time when the wheat lay rotting at the sidings because there were no cars to draw it out. If the honourable gentleman persists in the attitude he has taken towards the West, let me tell him this, that the people of the West are quite independent; they could ship their grain by another route than that which crosses the north shore of Lake Superior, and they could avoid the port of Montreal if they wished to do so.

Hon. Mr. CASGRAIN: They are building an elevator in Buffalo to avoid it now.

Hon. Mr. McMEANS: That may be, but I would like the honourable gentleman to understand that the wild, unauthorized statements he is making in this House are doing a great deal of harm, a great deal more harm than he thinks. The pioneers living out on the prairies are trying to develop this country in spite of difficulties of which the honourable gentleman has no idea, and they are paying exorbitant freight rates in order to ship their product through Canada, and yet the honour able gentleman has the hardihood to state that Quebec and Ontario are paying for the Western provinces. The thing is ridiculous and absurd, and I am surprised that the honourable gentleman can make such a statement. I am sure that no other member of this honcurable House would undertake to do so.

The honourable gentleman is condemning the Government of the day on the question of freight rates. I will not venture an opinion on that. Perhaps the Government are quite right. If they can do anything that will force down the ocean rates, I for one will give them my support, because I think that in that respect there is an opportunity to provide some relief for the people of Canada. That is the only thing in the Speech from the Throne that offers any prospect at all for relief for the people of this country. The industries are stifled. The farmers of the West are groaning under the heavy burden of excessive freight rates, and at the same time my honourable friend desires that they should not be reduced. The honourable gentleman occupies a seat on the Government side of the House, and we read in the newspapers of the honourable gentleman making speeches throughout the country in defence of the Government. In fact. he declares that they are the best Government in the country.

Hon. Mr. CASGRAIN: The best in comparison with the others.

Hon. Mr. McMEANS: He is telling the people of this country what a splendid Government they are. If you pick up the Montreal or Toronto papers you will read that the honourable gentleman has made a speech along those lines.

Hon. Mr. LAIRD: It is the Montreal Herald that says that.

Hon. Mr. McMEANS: But when he rises in this House the first thing he does is to condemn everything that the Government have done, and he condemns them to-day on the question of freight rates. The Government are to-day reconsidering the Crow's Nest rates, and there is no doubt that if they desire to remain in power they will cancel the decision made by the Railway Commission. They have already thrown out a sop to the Progressives. Although the honourable gentleman applauds the Government when he goes out through the country, yet when he rises in this House he condemns them in every possible way.

Hon. Mr. CASGRAIN: Oh, no.

Hon. Mr. McMEANS: The honourable gentleman ought to be consistent.

Hon. Mr. CASGRAIN: Read my speech tomorrow and you will see that there is no condemnation.

Hon. Mr. McMEANS: Then let us hear no more talk about those branch lines.

Hon. Mr. CASGRAIN: You have too many lines there. How many people have you per mile of railway in Manitoba? The honourable gentleman has asked me a number of questions, which I have answered. Perhaps he will allow me to ask that one.

Hon. Mr. McMEANS: I cannot tell the honourable gentleman.

Hon. Mr. CASGRAIN: And the honourable gentleman talks on the railway situation!

Hon. Mr. McMEANS: And I want to mention another point. The honourable gentleman has been condemning branch lines.

Hon. Mr. CASGRAIN: And voted against them.

Hon. Mr. McMEANS: Voted against them last year. Still this wonderful Government which he applauds so much throughout the country has instituted a campaign against this honourable body because certain branch lines were not approved. How does the honourable gentleman reconcile his position on the other side of the House with the statement which he has made here to-night? He knows that the Prime Minister of this country announced last year that he was going to reform the Senate because it rejected certain branch lines which the honourable gentleman voted against. A telegram came from the Government of Saskatchewan saying, "You must abolish the Senate."

Hon. Mr. CASGRAIN: Sir Wilfrid was to reform the Senate too.

Hon. Mr. McMEANS: While it was Conservative, not while it was Liberal. Did not the honourable gentleman say that if a Bill has been passed three times in the House of Commons it should become law?

Hon. Mr. CASGRAIN: I did, and I stick to that.

Hon. Mr. McMEANS: Does the honourable gentleman know, in his experience as a public man, of any case in which a Bill passed by the House of Commons three times was rejected by the Senate?

Hon. Mr. CASGRAIN: No.

Hon. Mr. McMEANS: Still the honourable gentleman applauds the Government of the day who are going to restrict the powers of the Senate. Why cannot the honourable gentleman be consistent? Would it not be better

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for him and better for this House if he would move across and take a seat over here? He is the very best material that we can get. If the honourable gentleman would only make the same sort of speech on the hustings as he has made in this House to-night in condemnation of the Government he would confer a great benefit. Of course, we cannot attach importance to anything he says outside, but I believe that in what he states in this House he is expressing his real feelings. If an election were to take place to-morrow, I do not see how the honourable gentleman could possibly vote for the Government after condemning it as he has done in this House. The honourable gentleman has spoken about steel rods and all that sort of thing, and he has shown the difficulties the country is in because the tariff has been taken off, but he suggests no remedy whatsoever. Here you have a Government like an owl in the desert or a pelican in the wilderness. They have no policy; they have nothing at all to lay before the people of this country-no remedy to suggest for the serious condition in which Canada finds itself to-day. Their policy of economy has disappeared. The public debt is rolling up year after year and the people are groaning under a burden of taxation.

Hon. Mr. DANDURAND: The debt was reduced by over two millions last January.

Hon. Mr. McMEANS: How much did it increase during the first eight months of the year? According to the public press we lost \$40,000,000 in Customs receipts alone. I am told on very good authority that when the Canadian National Railway estimates are brought down they will reach \$90,000,000.

Hon. Mr. CASGRAIN: Where is all the profit they made in the West?

Hon. Mr. McMEANS: It is eaten up by the East. There will be \$90,000,000 added to the burdens of this country, and at the same time the Government is stifling the industries of the country; factories are closed up; there is no employment for the people. Of our young Canadians who have been educated at great expense, 600,000 have left the country. Still the Government have nothing at all to offer to the people of this country. How long is this situation going to continue? How long will the people of Canada stand it? How long can we support this burden of taxation, without any prospect of relief? I cannot understand at all the honourable gentleman's policy, but I do congratulate him heartily on the stand he has taken in condemning the present Government.

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Hon. Mr. DANDURAND. I do not condemn them.

Hon. J. D. TAYLOR: Honourable gentlemen, it seems to me that something remains to be cleared up in connection with this situation, and I move the adjournment of the debate until the next sitting of the House.

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

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

THE SENATE

Wednesday, February 11, 1925.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH ADDRESS IN REPLY

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

Hon. J. D. TAYLOR: Honourable gentlemen, we have had a full quota of deserved compliments to the mover and the seconder of this Address from the leaders of this House, and I think it would be superfluous for me as one of the rank and file to attempt to add anything to it.

I would like to be permitted to say this to the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain), who so greatly interested us last night, that in my humble opinion he contributed far more to the importance of this Address than anything which we find in the Speech from the Throne.

I notice that the Speech at the outset takes stock of the improved economic conditions in the world since last prorogation; but, having ventured so far, the authors of this document very modestly refrain from taking much credit to themselves. They put in the forefront the record of substantial progress in 1924 because the excess value of exports over imports was more than \$262,000,000. Modesty again prevents analysis of the nature of these exports, in which there bulk most largely the raw materials of this country sent out without let or hindrance on the part of this Government, in the full knowledge that, as these raw materials go across the line into the United States, a large proportion of the industrial population of Canada follows in that direction.

It seems to me that the honourable gentlemen responsible for this Speech have been suffering from auto-intoxication induced by indulgence in those fantastic figures from the Council Chamber with which we have been entertained here and with which the public have been entertained in another place. We are told that the problem of the cost of living is the most important before the Government to-d'ay-a declaration in which I most heartily agree, and which has a great deal to do with the exports from Canada to which I have just referred. While a few lines later we are told that the trouble with Canada is that we are still suffering from the abnormal cost of the war, there is no reference to, and apparently no calculation of, the fact that Canadians and Canadian industry particularly are being taxed at present the full cost to us of the war; that in the so-called war taxes we are paying every cent of our present day contribution to the result of that war, and if industry and the public service languish to-day it is not because the public service lacks revenue from ordinary sources for ordinary administration, since, as I say, we are collecting in special taxation the whole cost of the war to us.

More than that, while the people of the United States, our neighbour and industrial competitor, have been relieved in large measure of the cost of the war and have been enabled to return to normal conditions in business, we have utterly failed to adjust conditions in Canada to those of our neighbours. Take, for instance, the income tax in Canada, a tax pressing with especial severity upon industry of all kinds. We find it more than 100 per cent-several hundred per cent in the higher grades-higher than that of the United States. It is only a few years since, in answer to the suggestion coming from the Opposition of that day, that Canada should make her income tax larger, in order to tax the profiteers in this country, we were told that if we made a variation in the income tax between this country and the United States unfavourable to Canada, the result would be to drive industry, and the income resulting, across the border. I think that argument was perfectly correct then, and it is just as correct to-day, and the fact of our keeping up our income tax to a figure more than 100 per cent-several hundred per cent in many cases-higher than that of the United States, is contributing very largely to driving industry across the Canadian border.

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Take also the addition to our postal rates imposed during the war as a war measure, making the postal rates in Canada from 50 to 100 per cent higher on all classes of business than the rates in the United States. Does anyone think for a moment that the condition of our postal rates has not a most important bearing on the shifting of industry from a border town in Canada just across the line to a border town in the United States? And so on with other taxation, such as the sales tax. Without going into the details of that, I would like to refer in a general way to the fact that the Government themselves contribute in the most oppressive form to the high cost of living in Canada, and that there results a depression of industry through maintaining these taxes after the United States has removed a large portion of the income tax and the postal tax.

Hon. Mr. DANDURAND: Will the honourable gentleman tell us in the course of his remarks by what other revenue he would replace those imposts?

Hon. Mr. TAYLOR: I think, honourable gentlemen, that is a very large question to ask of a private member of this House. I would look to the honourable gentlemen charged with the administration of the Government to give me a lead in that respect, and particularly would I look for that lead as a member of the Senate, knowing that as a member of this House I have no responsibility and am not permitted to share in the substitution of one tax for another. My sole privilege is to raise my voice in protest, as I raise it at this moment.

We have a large section of this Speech from the Throne devoted to matters afloat, suggesting a half-seas-over condition, if I may use the expression, on the part of the Ministry. Feeling impotent to deal with matters in Canada, they are extending their operations over the high seas and propose to encourage the people of Canada to lift themselves by their boot straps away from the oppression of ocean rates. We are told that we shall receive particulars of this later on. I for one look for those particulars with a great deal of curiosity. As I have read in the press and gathered from statements made by members of the Government who have referred to the press statements, the Government have come to the conclusion that ocean rates are too high for the trade of Canada to bear; this notwithstanding that the Government are themselves proprietors of a large share of the tonnage engaged in carrying the ocean traffic, and, so far as I know, as proprietors of this

Hon. Mr. TAYLOR.

tonnage they have not given to the public any indication that they are carrying at any lower rates than those imposed by the North Atlantic Conference, or by any other aggregation of shipping men, whether on the Atlantic or the Pacific. But they come forward now with the comforting proposal that they will get ten ships and fight the shipping of the whole world with the operation of those ten vessels-and fight it how? Not by promising a reduction in the cost of ocean carriage, but by promising, as I see it, that they will pay out of the national exchequer about 25 per cent of the cost of that tonnage, and that the favoured line of steamships with which they are making arrangements will carry the tonnage at the same price as it is carried by other ships to-day, but that the traffic will be asked for three-quarters and this Government will be asked for the other quarter. When I see this scheme developed, I think it is in every way worthy of its author and his long record in promoting fantastic enterprises for this Government, from its successive posts in England and in Europe.

I come now to the paragraph that really caused me to take part in this debate. It reads as follows:

You will be asked to sanction the calling of a conference between the Federal and Provincial Governments to consider the advisability of amending the British North America Act with respect to constitution and powers of the Senate and in other important particulars.

Surely that is a very lame and impotent conclusion to the threatenings of the past year -a conference with the Provinces to advise the Government what is to be done about the Senate. I wonder if that is the most important matter at issue between this Government and the Provinces. It seems to me I have heard something about the natural resources of Manitoba, Alberta and Saskatchewan. I have not yet heard that there is any settlement of that. I wonder if that is one of the other important subjects referred to here to be dealt with by this conference of the Provinces and the Dominion, as well as the question of the Senate. I have heard of very important questions in discussion between the Government of British Columbia and this Government-questions relating to the restoration of our railway belt to us, in consideration of events into which I need not enter in detail now, in connection with fishery matters, in connection with the taking away from us of all our profits in the seal industry, and in innumerable other instances. Surely these matters have bulked more largely in the consideration of the Government than the problem of what to do with the Senate. I have

read in the press that Nova Scotia is in a ferment because of the lack of action on the part of this Government with respect to the interests of that province. Similarly with the province of New Brunswick and the inaction of this Government in the matter of making proper use of our winter port at St. John, instead of continuing to route Canadian traffic via ports in a foreign country. Surely all these subjects are more worthy of the attention of any conference between the Provinces and this Dominion than is the subject put in the forefront, that is, the action of this Senate. To what conclusion must one come when he finds the Senate featured in this The Senate, being the only check or way? brake upon the House of Commons,-I was going to say, the impotent House of Commons, but naturally I do not wish to discuss the House of Commons here, for it would not be proper to do so.

Hon, Mr. DANDURAND: The honourable gentleman might limit himself to the Executive.

Hon. Mr. TAYLOR: Yes. I thank the honourable gentleman for the suggestionthe executive, as representing the House of Commons. We find, then, the most impotent Executive in history putting forward the proposition that the only check or brake upon the freaks and foolishness of the elective chamber should be set aside and that they should be gifted with the attributes of omnipotence to grace their impotence. It seems to me that this is simply drawing a red herring across the political trail of this Administration by making the age-old complaint of there being something the matter with the Senate. For myself I feel quite fit and healthy. I do not know that there is anything the matter with this part of the Senate. But I have heard a great deal in British Columbia during the recent recess about what the Prime Minister then supposed was principally the matter with the Senate. The Prime Minister came out to British Columbia towards the end of October. He was breathing slaughterings against the Senate all the way across. On the prairies he was eloquent upon the disappearance, in the course of passage through this House, of certain branch. line bills-Bills which it now turns out were entirely unnecessary, because the roads have been provided by private enterprise without cost to this country, since the Senate halted the programme last year.

Then he came out to British Columbia. Of course, we have troubles of our own there, and we are not wasting any time in regrets about branch lines in Saskatchewan. The

people of Saskatchewan are fully capable of voicing their own regrets in that particular But British Columbia must have a share in the Prime Minister's programme of complaints against the Senate; so the right honourable gentleman featured in that province—what do you suppose? Now, we did not do anything to British Columbia at the last Session of the Senate. I thought the Senate Committee dealt very squarely with the projects presented with reference to that Province.

Hon. Mr. DANDURAND: Liberally?

Hon. Mr. TAYLOR: Yes, liberally. T quite appreciate the liberality of the Senate, seeing the mood in which the Senate was at the moment, that their sinister mood was not exercised towards British Columbia. T well remember the closing session of that Committee, if I may be permitted to refer to it in this way, although it was not officially reported to this House. We came to the last Bill on the programme. The honourable gentleman who sits opposite me (Hon. Mr. Dandurand), in his capacity of representative of the Government there, said to the General Counsel of the Canadian National, who was sitting beside him and had been in close conference with him: "Now we have only one more Bill on this programme; that is, the Kamloops-Kelowna Branch Line Bill; what have you to say about that, Mr. Ruel?" I speak from memory, and I hope to speak correctly. Mr. Ruel then addressed the cruel Committee of the Senate-or the Committee of the cruel Senate, whichever way you put it. He said: "I have nothing but appreciation to express for the unvarying kindness and courtesy of this Committee towards the Canadian National Bills"; and he went on to express himself in that tone of most cordial appreciation of kindness, courtesy and consideration on the part of that Committee. Mr. Ruel, when he so spoke, was the voice of President Thornton and the Board of Directors of the Canadian National Railway. Yet this kindness, courtesy and consideration had been transformed by the Prime Minister of Canada by the time he reached British Columbia into bitter denunciation of the Senate for its attitude towards these people, who themselves said that they had nothing but appreciation of kindness and courtesy.

I have before me a piece from the Daily Province of Vancouver, which is the leading newspaper in British Columbia. In great flaring headlines we have this statement:

Declares Senate made Thornton interview C.P.R. King says if Kelowna line not built he will know why. Appeal to Vernon voters. Asserts Yale should return Liberal as fair play. Under that last heading I should just like to read something which is significant:

Stressing the good treatment he had given western Canada though only a few Liberals had been elected west of the Great Lakes at the general election, the Prime Minister said—

This was at a mass meeting in the city of Vernon.

You sent me only four or five members. I gave you four Cabinet Ministers. Now I am appealing to the electors of Yale on grounds of chivalry, fair play and decency to send another member to Ottawa to support western policies.

Chivalry, fair play, and decency. I would like this honourable House to remember that: a right honourable gentleman extolling himself as an apostle of chivalry, fair play, and decency, and in the name of those attributes conducting the campaign which he conducted against this Senate.

There had been sent out about that time from a member of Mr. King's Government a message to the Liberal organizers in the riding of Yale, where there was a by-election on at the time. The people of Yale, who had a railway under construction for a great many years and nearly completed, requiring only the buying and the laying of the rails to finish the job, had got restive because another year had passed and nothing had been done. The President of the Kelowna Board of Trade addressed a message as follows:

Kelowna, October 2, 1924. Sir Henry Thornton, Montreal. Rumors are again rife that Kelowna may be left in the hands of the C.P.R. by sale of branch line to them. This would be extremely unpopular in the valley. Can you reassure us? Signed, Grote Stirling, President.

To this he received a reply from President Thornton as follows:

Montreal, October 3. Grote Stirling, President, Board of Trade, Kelowna. Before passing Bill for this branch the Senate instructed the two railways to endeavour to find a solution that would give the most efficient service at the minimum cost to the country. See Senate Debates, pages 695 to 697. When the Bill was passed, it was on the understanding that it was enabling powers to put the Canadian National Railways in the same position as the other road, and with the understanding that the negotiations would be continued and fully developed. Certain proposals have been made to the Canadian Pacific Railway, and we are still awaiting their reply. Not in a position to say more at present. (Signed) H. W. Thornton.

On the 3rd of October President Thornton was not in a position to say anything. Simultaneously with the arrival of that there came a message from the Minister of Railways in this Government. The Minister of Railways did not address himself to the President of the Board of Trade; his was a purety political message, addressed to the Liberal organizers in charge of the campaign. The general Federal Liberal organizer and the local Liberal organizer received a despatch Hon. Mr. TAYLOR. in identical terms from the Hon. George P. Graham, reading thus:

The Senate made a condition in passing the Kamloops-Kelowna branch line Bill that no construction should take place until an attempt had been made by the presidents of both the C.N.R. and the C.P.R. to negotiate a sale of the property to the C.P.R. These negotiations have been in progress, which has delayed construction.

Of course, when these messages arrived in the Okanagan they aroused a very great deal of feeling-not against President Thornton, of course, because the official organizers of the Liberal party would not be spreading propaganda against their friend Sir Henry Thornton, but against the Conservative members of the Sénate, and expressly directed towards them, and as to which the electors of Yale were asked to wreak their vengeance on the candidate of the Conservative party and send him to Coventry, because of the supposed misdeeds of his party. Of course, honourable gentlemen who have heard me read these messages know as well as I do that they do not state the truth-that they are in themselves impossible. Anyone conversant with parliamentary procedure recongizes at once that they are absolutely impossible, and they could not be supposed to deceive any person except an elector not versed in parliamentary procedure and the limitations upon Parliament in placing restrictions or understanding as brakes on legislative enactments.

Hon. Mr. DANDURAND: My honourable friend is not questioning in the least the exactness of the statements of Sir Henry Thornton and the Minister of Railways?

Hon. Mr. TAYLOR: Oh, yes.

Hon. Mr. DANDURAND: I listened to the telegrams very closely, and so far as my memory carries me I take it for granted that that was the attitude of the Committee which had this matter before it.

Hon. Mr. TAYLOR: As to President Thornton, I have a further message which is more direct than the one I have read. This one I have read was the first effort, and he did not go the whole hog in it. There is another one.

Hon. Mr. DANDURAND: I am controverting the statement of my honourable friend that these telegrams did not convey exactly what was done by the Senate. The Committee of the Senate did ask these two railways to come together. I remember that very clearly.

Hon. Mr. TAYLOR: I will read again the political message of the Minister of Railways,

because I would much rather deal with him than with the President of the Board, who is not a member of Parliament and who has not the same opportunity of speaking for himself. I will read again the message from this Minister:

The Senate made a condition in passing the Kamloops-Kelowna branch line Bill that no construction should take place until an attempt had been made by the presidents of both the C.N.R. and C.P.R. to negotiate a sale of the property to the C.P.R. These negotiations have been in progress, which has delayed construction.

With the exception of the last sentence, I say that that message of the Minister of Railways, the colleague of the honourable gentleman and for whom the honourable gentleman is responsible, is wholly false; that there is not the first word of truth in it; and that the records of the Senate abundantly establish that.

Hon. Mr. DANDURAND: Of course, I take it for granted that we are both very clear in our conceptions of what the Senate did. If my honourable friend speaks of the action of this Chamber after the report from the Committee was made, he may be able to point to the record in order to show that there is no trace of such an understanding; and yet I would be surprised if in the discussion of this Bill, when it did come up for examination in the general Committee or upon the report of the Committee, or at the third reading, there was not some statement indicating the procedure that had been followed in the Committee. But if the Minister referred to the work and the decisions of the Committee, I think my honourable friend will find that he stated exactly what took place in the Committee, and that as a result of what took place in the Committee action was taken by the two railway presidents, who came together. So the statement of the Minister of Railways is substantiated by the telegram of the President of the railway, who declared that he acted upon a decision of the Railway Committee of the Senate. I have yet to understand how my honourable friend can make out that the statement of the Minister of Railways was improper when he seems to have stated exactly the undertaking imposed by the Railway Committee upon the two railway companies.

Hon. Mr. ROBERTSON: Would my honourable friend pardon me a moment? We do not want to have any misunderstanding here as to the intent of a message so important as that of the Minister of Railways. In the first place, it must be borne in mind that the Minister of Railways would have no means of knowing accurately what occurred in the Railway Committee of the Senate; nor would it be proper for him to communicate it to the public at large.

Hon. Mr. DANDURAND: Oh, well, the Minister's duty was to know what had taken place in the Committee.

Hon. Mr. **ROBERTSON:** Honourable members of the Committee will recall that negotiations did occur at the instigation of the Railway Committee of the Senate. The railways were not able to come together to reach an agreement because, as Sir Henry Thornton indicated, they had made certain proposals to the C.P.R., and up to the time when the House had to deal with the Bill they had not reached an agreement. The House therefore proceeded to determine the matter by legislation so that the people of that community could have the service of both railways, and passed a Bill accordingly, and months afterwards the Minister of Railways apparently sent a message that was wholly misleading in its import.

Hon. Mr. DANDURAND: I am not ready to accept that statement, because I recollect very well that this very matter was discussed in the Committee. We speak of the Committee because it practically took the place of the Committee of the Whole in the examination of these Bills. I believe I informed the Committee-and if notes were taken of what took place there I think they will bear me out-that it was impossible in the short time that remained before the closing of the Session, or at all events the closing of the Committee, for the two railways to come together. There was a primary objection that the president of the C.P.R. was not at his post in Montreal. I know that in the course of negotiations I was informed that it would be some time before the Canadian Pacific Railway would be able to approach the subject with a view to an understanding. I think I was told that they would have to send engineers out, which would take some weeks or months before they would be in a position to answer the letter of the President of the Canadian National Railways sent at the express direction of an unanimous Railway Committee on that question. But it was urged that the Bill should pass.

I notice that Sir Henry Thornton refers to pages of Hansard. I myself urged that the Bill should pass in order that the Canadian National Railways would stand in the negotiations on an equal footing with the C.P.R., and it was, I think, because I insisted on giving the Canadian National Railways power necessary to put them on an equal footing with the C.P.R. that I succeeded in getting that Bill passed by the Committee. There were strong objections to the passage of the Bill, but I remember clearly that I insisted upon the principle that the railways should be on an equal footing in the negotiations, and I believe that my honourable friend's memory is not as good as mine on that point.

Hon. Mr. TAYLOR: Honourable gentlemen, I think that before the Committee the insistence of the honourable gentleman who leads this House was not quite so vocal as it now appears to him to have been. I was a regular attendant at the sittings of that Committee, although I was not a member of it. My impression was that the leader of the movement to avoid the building of the Kamloops-Kelowna branch was the honourable gentleman himself who sits opposite to me. As a Senator from British Columbia I had no objection to the suggestion made in the Committee that the presidents of the two railways should be brought into consultation to see whether or not in their opinion a second road was necessary there. I had no objection to that, because I was fully informed as to the policy of the Canadian National Railways with respect to the lines into the Okanagan. I knew that in the opinion of the Management-I refer now not to the political management but to the railway management-that line was regarded as absolutely essential to the consolidation of the company's enterprise in British Columbia; and I supposed that the result of the consultation requested by the Committee, at the instance, if my memory serves me correctly, of the honourable gentleman himself, would be that the Canadian National Railways would insist upon the importance to them as to the community of their building into the Okanagan. As I say, I had no misgivings at all on that suggestion being made.

Later on in the Committee I heard reference to the fact-I think it was by the honourable gentleman who leads this Chamber-that the Committee had not yet had a report on the result of these negotiations. As the honourable gentleman says, notes were taken, and statements made here from memory may be verified; but, speaking again from memory, I would say that Mr. Macleod. consulting engineer of the Canadian National Railways, and former General Manager, said that while no official conclusion had resulted from the negotiations, he was quite satisfied from the attitude adopted by the Canadian Pacific Railway that there would be no satis-Hon. Mr. DANDURAND.

factory end to the negotiations so far as the Canadian National Railways were concerned. Therefore in Mr. Macleod's opinion it was quite incumbent on the Committee to proceed with the bill as if negotiations had not commenced, because, as he said, the negotiations would never be finished, and he wanted the Bill.

My point is this, that one Minister of this Government, the spokesman for the Government in the Senate, sits in a Committee of this honourable House and proposes a conference to avoid building a second line into the Okanagan; takes part in promoting that conference through the whole piece; finds in the Committee that the members are not of his opinion; and the Committee unanimously report the Bill without any amendment, recommending it to this Senate for passage On the third reading here—

Hon. Mr. DANDURAND: No. If my honourable friend will allow me to say so, he is absolutely in error when he says that the Committee were not of the opinion that the two presidents should come together. I can affirm that the Committee decided unanimously to ask the presidents of those two companies to meet and examine into the situation together. I am quite sure that that was the decision reached, and that the Secretary of the Committee, acting on its behalf, wrote the two letters to the two presidents.

Hon. Mr. TAYLOR: I think the statement by the honourable leader of the House is quite accurate. That is what I tried to say a few minutes ago, that those things did occur; but they were terminated by the failure of the parties to negotiate, and by the official statement to the Committee by Mr. Macleod, the consulting engineer; that he felt satisfied that nothing would come of the negotiations. My memory is quite distinct as to that.

Hon. Mr. DANDURAND: No. My honourable friend is in error.

Hon. Mr. TAYLOR: More than that. I spoke a little while ago of the proceedings at the last meeting of the Committee, and mentioned the complimentary terms used by Mr. Ruel, general counsel and spokesman for the President of the Canadian National, the friend and confidant of the honourable gentleman who leads this House. They had been in close consultation for three weeks. I feel quite sure that when the honourable leader of this House asked Mr. Ruel, "What have you to say about this Bill?" the honourable gentleman knew what Mr. Ruel intended to say, and was a party to his saying it.

When I spoke of that episode a little while ago I referred only to the complimentary references. I should have added this. Mr. Ruel concluded: "In view of the unvarying kindness of this Committee with respect to the other Bills, I feel that it would be too much to ask the Committee to pass this Bill this Session." I say that those words will be found in the shorthand record of that Committee, where Mr. Ruel virtually asked for the withdrawal of the Kamloops-Kelowna Bill—asked that the Committee should kill it.

Hon. Mr. DANDURAND: I have no recollection of that incident.

Hon. Mr. TAYLOR: The honourable gentleman will find that incident reported in the notes of the Committee. Those were the parting words.

Let me recall this to him. The Bill would have fallen by the wayside right then, only that it was ten minutes after one, whereas the hour for the breaking up of the Committee is one o'clock, and the Committee moved off without action taken. On the resumption at 8 o'clock in the evening, Mr. Macleod reappeared before the Committee of his own volition and made a most spirited plea for the passage of the Bill; pointed out to that Committee that in his opinion we would retrieve the whole \$5,500,000 already put into the enterprise and in addition receive the interest on the \$2,000,000 which it was proposed to spend. The road would pay from the beginning. The honourable gentleman will recall that an official of the C.P.R. was called afterwards, and flouted the whole proposition as something impossible and ridiculous, and that the proceedings ended with the only address which I made to the Committee during the three weeks of its session. I argued on behalf of this line and its importance to the community and to the Canadian National as well. The Committee, immediately following that, unanimously passed the Bill and sent it to the Senate.

I say that a more cruelly false statement never was made than the statement of the Minister of Railways, made for political effect in Yale riding to delude the electors of that riding into voting as they would not vote in the presence of the truth, to delude them into the belief that the Senate had blocked the building of the Kamloops-Kelowna line.

Even President Thornton himself became ashamed of his part in forwarding that statement before the Yale campaign was over. I have two other messages from President Thornton besides the one which I have already read. Here is one dated October 21st, 1924: Right Hon. W. L. Mackenzie King, Vancouver.-In regard to Kelowna, as you will doubtless be aware from information sent you recently by the Minister of Railways--

Do you see, there was a little family consultation about this? The Yale by-election was coming on; there was a constituency to be redeemed if possible, though as it turned out it was not possible. Right Hon. Mackenzie King, Hon. George P. Graham, and President Thornton were in a little ring, as indicated here, manufacturing ammunition to delude the voters of Yale in that important by-election. President Thornton gives it away:

As you will doubtless be aware from information sent you recently by the Minister of Railways, the Senate attached a definite restriction obligating us to try to come to an amicable arrangement with the Canadian Pacific Railway which I feel in honour bound sincerely to carry out if possible.

The honourable gentleman said with respect to President Thornton's first message that it was in accord with the record of the Committee. I am not disposed to differ from that, taking that message by itself, because he was not nearly so bold in the first message as in the second; but this second message by President Thornton to Right Hon. Mackenzie King, I say, is like the message of the Minister of Railways, absolutely false in its express terms and that it has no justification whatever.

Hon. Mr. DANDURAND: Will my honourable friend allow me to say that if Sir Henry Thornton had said anything different from that, he would to my mind have failed in his duty to this branch of Parliament. I was in the Committee. We made a decision which was not reversed. The mandate given to our Secretary to ask the two Presidents to come together was transmitted to the two companies, and I believe that it devolves upon the President of the Canadian National Railways to abide by the advice that was conveyed to him by the letter from the Secretary of the Committee. And here is the letter:

June 20, 1924.

Sir,—The Railway Committee of the Senate has had under consideration Bill No. 33, an Act respecting the construction of Canadian National Railway Line Kamlops-Kelowna Division, Province of British Columbia, copy enclosed. The Committee has suspended consideration of the Bill until Wednesday next, the 25th instant, in order that the Canadian National Railways and the Canadian Pacific Railway Company may come together and examine into the possibility of providing a service to the district at the least possible outlay. The Committee desire that you confer with the officers of the Canadian Pacific Railway Company and appear before the Railway Committee on Wednesday next with your suggestions.

That was sent out to the two companies. I was made aware of the fact that the Presi-

dent of the Canadian National Railways had obeyed that direction, and it was only when we found that we could not get an answer from the Canadian Pacific Railway, which was entitled to examine into a proposition which involved millions, that I made the proposal. I was a party to that resolution, and there was nothing that I did nor is there anything in my mind, that is not open to-day to the Senate and to Canada itself. I did not play any political or any other game. I was absent from America during the whole month of October; so my state of mind is that of June, 1924. I could enter into the question, but I will not detain my honourable friends in order to state what was in my mind, but it is contained in this resolution, which was adopted unanimously by the Committee, asking those two parties to come together. I remember stating-and I think it would be found that I said it from my seat here-that the Canadian National should have the power to build and that the proposed Branch Line Bill should pass, in order that at the outset and throughout the negotiations they might be on an equal footing with the C.P.R.

Hon. Mr. TAYLOR: It is precisely, honourable gentlemen, as I said. From first to last the suggestion that the Kamloops-Kelowna Branch Bill should not be passed was the suggestion of this honourable gentleman across from me. It was his suggestion.

Hon. Mr. DANDURAND: The notes of the Committee may speak for themselves, but there seemed to be a consensus of opinion in the Committee that there might be a possibility of redeeming the millions of dollars that were sunk in that line, which was unfinished; and I believe that in explanation of the expenditure of the \$5,000,000 it was stated that it was not for a railway that was built there, but for work given to the returned soldiers or to the people after the demobilization. I do not remember now who made that explanation, but I know it did not fall from my lips. It was a justification for what the Government had done in 1920. However, there was the consensus of opinion in the Committee, and from the data in my possession I gave voice to that opinion, and the Committee unanimously decided that those two railway companies should be asked to confer. That my honourable friend should give me credit for swaying the whole Committee against its will, I am much surprised. I believe that all of us were honest men, sworn to do our duty to the country and try-Hon. Mr. DANDURAND.

ing to examine into each case on its merits and to decide for the best, and we did that.

Hon. Mr. TAYLOR: Well, honourable gentlemen, as I said before, I had no objection to the Committee examining the case on its merits. I was present and heard what the honourable gentleman so eloquently describes. I heard his suggestion that the two presidents should come together, and I had no fault to find with it, and I have no fault to find with it now, because I knew the policy of the Canadian National non-political Management to be to build that line, and I felt satisfied that they would impress the necessity for the second building upon the Canadian Pacific Railway. But contrast the statement we have had here now with the political use made of this incident by the Minister of Railways and by the Prime Minister. Here is one of their colleagues taking a Bill sent to him from the House of Commons to be passed through the Senate, and in the exercise of his right as a leader of the Committee of the Senate suggesting that perhaps it is not necessary to build this line at all. It is his right to suggest that. Nothing came of the suggestion in the Senate Committee. The Committee in their wisdom decided to give full and complete authority for the building of the Canadian National branch line. This Senate as a body, knew nothing whatever of the negotiations and conversations in Committee, because we were not permitted to know them. The Senate unanimously adopted the report of the Committee, by an overwhelming majority turning down a proposal made in this House by the honourable gentleman from Middleton (Hon. W. B. Ross) to defer the construction of the line for the purpose of promoting negotiations.

That is the record of the Senate, a record of assistance to the Bill all the way through. Yet we find the right honourable the leader of the Government making a campaign against this House by endorsing a statement, directly contrary to the fact, that the Senate had placed restrictions upon the building of this line. I say that no more disgraceful episode ever occurred in the political history of this country than that a Prime Minister, of all men, a right honourable gentleman dignified with membership in the Privy Council of the Empire, should descend to the act of the ward-heeler in making a statement absolutely contrary to the fact, with a view to stealing the votes of the electorate at a by-election.

Hon. Mr. DANDURAND: My honourable friend is hardly right in making that affirma-

tion when I state that in my judgment the direction we gave the President of the Canacian National Railways is still binding upon him, and he will have to explain to me and perhaps to the Senate what he did do when he was executing that mandate.

Hon. Mr. TAYLOR: I can tell the honcurable gentleman what he did do. I have a still further message from President Thornton. I have read the whole of one and part of another, but I have a third here. During the Yale campaign President Thornton was asked by a high authority, in a message which I saw, what basis he had for stating that the Senate had attached any conditions to this legislation. He was asked to state definitely his authority for writing as he had written to President Stirling of the Kelowna Board of Trade and to the Right Hon. Mackenzie King as Prime Minister. What was the result of that question being asked him? Only eight days after he had addressed Mr. Mackenzie King, as I have said, and pledged his most sacred honour to carry out and complete these negotiations, what happened? I will read it again:

In regard to Kelowna branch, as you will doubtless be aware from information sent you recently by Minister of Railways, the Senate attached a definite restriction—

Regard those words: "The Senate", not the Secretary of a Committee of the Senate that is the part that I say is wholly and completely false—

The Senate attached a definite restriction obligating us to try to come to an amicable arrangement with the Canadian Pacific Railway, which I feel in honour bound sincerely to carry out if possible.

I say that even the direction of the Secretary of the Senate Committee was not in accordance with that statement. He was to negotiate to see whether it was better business for this country to bring the two lines together or to build a second line. It was not an instruction to abandon his line in favour of the Canadian Pacific Railway.

Hon. Mr. DANDURAND: Would the honourable gentleman read that last statement again, because I was disposed to concur with it.

Hon. Mr. TAYLOR (reading):

As you will doubtless be aware from information sent you recently by Minister of Railways, the Senate attached a definite restriction obligating us to try to come to an amicable arrangement with the Canadian Pacific Railway, which I feel in honour bound sincerely to carry out if possible.

His most sacred honour was attached to that on the 21st of October. A message was sent to him asking: "How do you get that way?" and having made an examination into the facts, he evidently thought that it was absolutely impossible to square his messages with the facts, and this new message came to one of the political managers on behalf of the Government in the Yale by-election. It is addressed to Thomas Bulman, Kelowna, B.C.

Kelowna branch your letter Watson seventeenth president has decided that since this branch must be completed either by ourselves or C.P.R. or jointly work of completing need not be delayed pending further negotiations but that work shall start as soon as we can arrange running rights for our construction trains between Kamloops and Ducks.

On the 21st his most sacred honour was pledged to completing the negotiations; on the 29th, after a most significant message had been sent to him, he decided that there was nothing to his previous stories at all, and that there was absolutely no obstacle in the way of proceeding at once with the construction.

Now, when Mr. Mackenzie King gave these endorsements out there he did not give them ignorantly; he had with him on that party a member of this House whom I see sitting behind my honourable friend opposite—a member of this House who was fully conversant with what this House had done and what it had not done, and Mr. Mackenzie King in a moment of conversation with that honourable gentleman could have ascertained whether or not the Senate had taken the action attributed to it.

Hon. Mr. DANDURAND: But my honourable friend does not seem to realize that had I myself been by the side of the Premier I would have stood by the communication of Sir Henry Thornton as to the action of the Senate, word for word.

Hon. Mr. TAYLOR: Well, honourable gentlemen, I am very sorry to hear the honourable gentleman say so. I had not included him in my mind in the category in which I am forced to place the right honourable gentleman who leads the Government. I think on reflection my honourable friend will withdraw the statement he makes now.

Hon. Mr. DANDURAND: My honourable friend will realize that I believe most sincerely that Sir Henry Thornton could not understand otherwise than that if there could be an understanding arrived at between the Canadian Pacific and the Canadian National Railways through which that part of the country would be served in a satisfactory way with a large saving in capital expenditure to Canada, it was his duty to carry on these negotiations to a satisfactory ending. When I hold that view, based upon the action of the Committee, how can my honourable friend express surprise? I am stating very candidly what

now.

I believe was the will of the Senate of Canada. After we had decided in the Committee what we believed to be the best policy for the country, how can my honourable friend ask me to stultify myself and alter my opinion without other facts being presented to me? I still stand by the view expressed by the Committee. I have had no occasion to alter that view. No further argument has been presented to me to cause me to alter it; and when a direction was given to Sir Henry Thornton, I believe he was in honour bound to continue those negotiations, and I would be very sorry to learn that he halted in carrying on those negotiations. The negotiations may have been closed; I do not know; the Canadian Pacific Railway may have said it was not disposed to enter into negotiations; there may have been some reason beyond the control of Sir Henry Thornton and the Canadian National Railways which decided them to go on with the construction.

Hon. Mr. TAYLOR: I think the Senate of Canada is entitled to more attention than is a letter of a Secretary of a Committee of the Senate, even though that letter be dictated by the leader of this Chamber.

Hon. Mr. DANDURAND: Does the honourable gentleman contend that there was no discussion of the situation which developed when the Bill came before this Chamber? I am very clear about this fact; that I stated at the outset that we could refer to what had taken place in the Committee, because the Committee practically replaced the Committee of the Whole.

Hon. Mr. TAYLOR: I will read to the honourable gentleman what happened in this Chamber. It is quite true that in this Chamber the honourable gentleman did suggest that this was only an enabling Bill. As I see it, he had no authority whatever for that statement. The words were not in the Bill and were not in the report of the Committee. I am familiar with parliamentary practice, and conversation in the Senate or any other parliamentary body must not have a place in enactments. I supposed the honourable gentleman was letting himself down easy, and I took no exception.

Hon. Mr. DANDURAND: I was not letting myself down easy. I was plainly discussing the situation.

Hon. Mr. ROBERTSON: Falling hard.

Hon. Mr. DANDURAND: And I think I held to my view all along, and I believe I may have gained the respect of my hon-Hon. Mr. DANDURAND. ourable friend. If not, I will not give up trying to be logical and honourable in this Chamber.

Hon. Mr. TAYLOR: Then I was mistaken when I thought the honourable gentleman was letting himself down easy. I did think so.

There was another honourable gentleman in this House who seemed to have the same impression. He is here to speak for himself. I cannot speak for him, but I can recount his actions. I refer to the honourable gentleman from Middleton (Hon. W. B. Ross), who, following the honourable leader of the House, said:

With these remarks, honourable gentlemen, ${\bf I}$ make the motion that ${\bf I}$ rose to move:

"That this Bill be not now read a third time, but that it be read this day three months hence." As I said before, I make the motion not with the object of killing this Bill, but in order to give a chance to the two railway companies during the next few months to negotiate. If the negotiations fail, we can take the matter up again twelve months from

This was a direct motion made to this House as a body. In consequence of the remarks of the honourable gentleman who leads this Senate, the three months' hoist was moved so that negotiations might be completed. The Senate voted upon that.

Hon. Mr. DANDURAND: Will my honourable friend tell me if I answered the honourable gentleman from Middleton?

Hon. Mr. TAYLOR: My recollection is that there was no answer whatever made to the honourable gentleman from Middleton.

Hon. Mr. DANDURAND: Surely it would be extraordinary that an amendment should be moved and voted down without any comments.

Hon. Mr. TAYLOR: That is my recollection. Hansard will show in a minute.

Hon. Mr. ROBERTSON: But Hansard has no record of the honourable gentleman having spoken after the honourable gentleman from Middleton.

Hon. Mr. DANDURAND: Had I expressed the view that the Canadian National Railways should be put on an equal footing with the C.P.R.?

Hon. Mr. TAYLOR: Oh, yes. the honourable gentleman said that. As I said, I took it that he was letting himself down easily; that his object of withdrawing the Bill had not carried in the Committee; and, naturally, when a man who is a leader in a body finds himself at cross purposes with the majority of that body, he has something to say about it. It did not surprise me that he saved himself with the statement that it was an enabling Bill.

Hon. Mr. DANDURAND: My honourable friend is in error. I moved the adoption of the Bill in Committee.

Hon. Mr. TAYLOR: If the honourable gentleman will permit me, I may say I have a very vivid recollection of the distress of the honourable gentleman that evening, and of his activity among those who were not friendly to the Bill.

Hon. Mr. DANDURAND: My honourable friend has such an extraordinarily suspicious mind that I do not want to be responsible for what he thinks he saw in my eyes.

Hon. Mr. TAYLOR: It was anything but love light that I saw in the honourable gentleman's eyes.

Hon. Mr. DANDURAND: I think my honourable friend was far closer to his leader in that Committee than he was to me, and that he could far more easily have read his mind than he could mine.

Hon. Mr. TAYLOR: I think that is unfair. It is an attack on an honourable gentleman who is not present.

Hon. Mr. DANDURAND: My honourable friend had the whole Committee before him, and, as he is a mind-reader, I am surprised that he kept looking into my mind all the time when as a matter of fact my actions were open and aboveboard. I move the adoption of the Bill. I discussed the whole Bill; I went to the map and examined the situation with the late member, Mr. MacKelvie; and it was decided that the two railway companies should come together.

I take my full share of responsibility. I had the Bill in my hand, and yet I agreed, and suggested, perhaps, that the two railways should come together. But when they were not coming together, the matter was postponed, and I moved the adoption of the Bill. These were the open acts of myself in the Committee, and I am surprised that my honourable friend keeps his mind on trying to read my inward thoughts. I would like him to start with his own leader, and try to explain what he thought were the inward thoughts of the members of the Committee.

Hon. Mr. TAYLOR: Then we have the Right Honourable Mackenzie King going on record further, because, after all, it is the leader of the Government that I am dealing

with. As the honourable gentleman who leads this House says, he himself was away from the country during October.

The!

We have this extraordinary position to-day, that the leader of the Government wishes to reform or abolish the Senate because of its action in dealing with the Kamloops-Kelowna Bill, and we have the member of the Government in the Senate saying that if the Senate had done what we are accused of doing, it was following a proper course. As one somewhat familiar with constitutional practice, it seems to me there is some embarrassment in the situation. Mr. King should have been informed of the facts, because he had in his party on the British Columbia trip a member of this House with whom he could have conferred at will-with whom he must have conferred. Notwithstanding that, after he had been through Yale and had made misleading statements to the electors of Yale and had endorsed the Graham and Thornton messages, which even President Thornton himself subsequently withdrew-after he had endorsed a statement so wrong that President Thornton withdrew it, he was informed by his organizer that the speakers for the Conservative party throughout that riding were directly contradicting his assertions, and in consequence, from Moosejaw on his way home, instead of enquiring what were the real facts, and posting himself, he broadcasted a night-letter to every mayor and every president of a board of trade in those four ridings. Prime Minister Mackenzie King descended to that without any information whatever. He broadcasted a political letter repeating false statementsstatements the falsity of which had been impressed upon him in the most positive, direct and circumstantial way. This was his message addressed to the mayors and presidents of boards of trade in the four provincial ridings constituting the Federal riding of Yale:

I have been informed that Senator Taylor has been stating publicly throughout the riding of Yale with reference to the Kamloops-Kelowna railway that the resolution introduced in the Senate by Senator Ross providing for hoist of three months was introduced to allow time to negotiate with the C.P.R. and was defeated by the Conservative majority in the Senate.

I have already read the statement made by Senator Ross himself, who says that such was his object. I think he is a better authority than Mr. Mackenzie King as to what was his object. I prefer to take the statement of the man who made the motion.

This reference to the majority in the Senate is not an accurate rendering of my report, which was that, without distinction of party

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in the Senate, every Senator from British Columbia who voted, voted against the delaying motion. That is not all. The same is true of every Senator from Alberta, Saskatchewan, Manitoba, and, with one exception, it is true of Ontario. However, that is not material. It was not a Conservative majority; it was the unanimous wish of the western Senators.

Mackenzie King proceeds to quote me as saying:

--that the Bill was passed without strings and that the Government was instructed to proceed with construction.

Of course, I did not say it was instructed; I said it was authorized by express provision that the Government might supply the money in advance of the sale of bonds.

Mr. King further quotes me as saying:

That because the Ross motion was defeated there should therefore be no negotiations. I understand also that Senator Taylor also stated that the Government plotted to defeat the Bill, that my colleague Senator Dandurand was used by me for this purpose. I am informed that Mr. Meighen has endorsed this statement.

Let me hasten to say that I never attempted to libel the honourable gentleman who leads this Chamber in the way indicated. If I had been stating which of those two gentlemen would use the other, I think I would have reversed the order so flatteringly given to himself by Mr. Mackenzie King.

I wish to say that any representations of this kind if made by Senator Taylor or Mr. Meighen are wholly without foundation and entirely false.

A model Prime Minister! The gentleman who speaks of chivalry, decency and fair play. Yes, as the honourable gentleman who sits opposite says, for stating that Senator Taylor's representations were false. I take that up in the spirit in which it is made, and I say that in my estimation—

Hon. Mr. WATSON: I said nothing at all.

Hon. Mr. TAYLOR: —a member of this Chamber is not to be lightly described as making a false statement. That may be the standard accepted by the honourable gentleman—

Hon. Mr. WATSON: I beg the honourable gentleman's pardon: I said nothing about him at all.

Hon. Mr. TAYLOR: I heard what the honourable gentleman said.

Hon. Mr. WATSON: What did he say? Are you a mind reader?

Hon. Mr. TAYLOR: No, I am not a mind reader, I say that an honourable member of

this Senate who is willing to accept the imputation of falsehood might well be silent on the subject, but I for one am not. I think it is a very fitting objection to take. When an honourable member of the Senate reads from a statement broadcasted by the Prime Minister of this country to the effect that this member and the leader of the Opposition in the Commons have jointly been guilty of deliberate falsehood, it is worth while that someone should take notice of it. I am quite prepared to take notice of any imputation of that kind directed towards me. I am prepared to show, furthermore, that this message itself-

Hon. Mr. WATSON: I said nothing at all about the message.

Hon. Mr. TAYLOR: I am speaking about the message.

Hon. Mr. WATSON: Then go on and speak about it.

Hon. Mr. TAYLOR: I am speaking about the message in that letter.

Hon. Mr. WATSON: Then go on and speak about it, and do not speak about me.

Hon. Mr. TAYLOR: I very willingly avoid speaking about the honourable gentleman. I have no desire to discuss him at all. This is from Mr. King:

I wish to state that any representations of this kind if made by Senator Taylor or Mr. Meighen are wholly without foundation and entirely false.

That is, Mr. King says it is entirely false that the honourable member for Middleton stated that his object in making this resolution was so and so. Mr. King says it is entirely false that the Senate passed this Bill without any restrictions. The statute itself establishes that. That the Government was instructed to proceed with construction, he says, is entirely false. If you substitute "authorized" for "instructed" the statement is entirely true, and the denial of it is as the right honourable gentleman describes.

and that because the Ross motion was defeated, there should therefore be no negotiations.

I say that the defeat of that motion was official action by this Senate, preferring construction to negotiation. There can be no question about that. Yet, without any inquiry, the right honourable gentleman proceeds in his denunciation of the Senate because they followed a course which he knows was desired by his own colleague and which is justified by his colleague here to-day.

Now, let me say for the people of the Okanagan that no person there is satisfied with negotiation in place of construction; that

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the unanimous desire of that community is for connection with the Canadian National Railways; that neither Mr. King nor any of his campaigners would venture to recommend negotiation to them. The only object in introducing this question there was to prejudice the cause of the Conservative party by the false statement that the Conservatives in the Senate had connived at delaying this Bill.

Similarly, in the same campaign, they took up another grievance against the Senate.

Hon. Mr. BELCOURT: May I ask my honourable friend a question?

Hon. Mr. TAYLOR: Yes, sir.

Hon. Mr. BELCOURT: Do I understand him to complain that the construction was proceeded with to some extent—I do not know to what extent—before the negotiations were completed? In other words, does he complain that the construction was going on pending negotiations?

Hon. Mr. TAYLOR: I never dreamt of such a thing.

Hon. Mr. DANDURAND: My honourable friend from Ottawa (Hon. Mr. Belcourt) is not from the Okanagan district.

Hon. Mr. ROBERTSON: Construction is not started yet.

Hon. Mr. TAYLOR: The complaint I make is this, that the right honourable gentleman has slandered the Senate, and that he makes his unprovoked slander of the Senate the basis of his appeal to the country to deal with the Senate, instead of dealing with the Mackenzie King Government.

He has slandered the Senate not only with respect to the Kelowna Branch Line Bill, but also with respect to another matter under discussion last Session. I have not here anything under the hand of Mackenzie King, but I have the campaign literature of his Party used in Yale Riding, and from this campaign literature I read:

Soldier Legislation

The Mackenzie King Government has endeavoured for two years to secure justice for disabled ex-service men and their dependents, but have been blocked by the Senate having a large Conservative majority. This just legislation can only be secured by the reform of the Senate.

Then there is a quotation from Hansard of July 19, the blood and thunder utterances of the Prime Minister, contrasting so pitifully with this little paragraph in the Speech from the Throne before us to-day asking for a provincial conference. Let me recall what happened with respect to that. This Bill was

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presented to the Senate from the House of Commons by the honourable gentleman, the colleague of Mackenzie King who leads the Senate (Hon. Mr. Dandurand). We all recall the expressions of mild horror with which he presented the Bill: his misgivings, no doubt justified, as to what the Bill involved; his regret that it came to us so late that it was almost impossible for us to become seized of the contents of the measure. We all recall also what happened. It went to a Committee, not of the Conservative majority of the Senate, but a Committee constituted of four members from one side and four from the other, and unanimously appointed. The Committee met. I was not a member and was not present, but I understand that it took the evidence of only a couple of responsible officials of the departments concerned in the legislation, whom it called as experts. The Committee's report was arrived at unanimously by the honourable members constituting the Committee, and it came into this House, presented by the Chairman (Hon. Mr. Pardee), who had recently been the Chief Whip of the Liberal party, the party of Mackenzie King, and was adopted by the Senate. I am not sure that it was adopted unanimously here. There were, I think, one or two military gentlemen opposite who took exception to some of the contents, but the report was almost unanimously adopted by this Chamber. It was accepted by the colleague of the Right. Hon. Mackenzie King who sits in this Chamber (Hon. Mr. Dandurand); accepted by him as a member of the Committee and as leader of the Senate. Yet the right honourable gentleman, the leader of our leader, says:

This year we have instances of Bills that have passed this House in three separate Sessions of Parliament, and which have been rejected each time by the second Chamber. I desire to assure the House that when Parliament reassembles steps will be taken by the Government to obtain, if possible, means whereby Bills may be enacted by and with the advice and consent of the House of Commons, under conditions similar in principle to those which have been sanctioned by the Parliament of the United Kingdom. . . . and the Government will take the means which is believed to be the most effective in bringing about the result which is aimed at in the quickest manner possible.

One would think "the quickest manner possible" would be to ask for the resignation of the colleague of the right honourable gentleman, who had consented to this action in this Chamber, much as I would regret to see such a request acted upon. If quick action were desired by the right honourable gentleman, it seems to me that that would be the quickest possible. I yield to no person in my respect for the honourable gentleman (Hon. Mr. Dandurand), but his continued presence . as spokesman in this Chamber for the Government is evidence that the leader of the Government is not taking the quickest possible action to remedy this condition of affairs.

I am sorry I have taken so long, but when the existence of this Senate is challenged by the right honourable the leader of the Government in a by-election, and when that honourable leader not only promulgates statements which are directly contrary to the facts of record, but also carelessly and wilfully imputes falsehoods to other public men engaged in the campaign because they differed from him, it seems to me that the matter is well worth the attention of this Chamber. For my part, as a humble member of Parliament, who had observed many parliaments before becoming a member, I think one of the most prized assets of any parliament is the honesty, the integrity, and the truthfulness of its members.

Hon. J. G. TURRIFF: Honourable gentlemen, it was not my intention to take any part in this debate, but in reading in the Senate Hansard the proceedings of last night I find my name mentioned two or three times; so I wish to take this opportunity of saying a few words.

Last year, it will be remembered, the honourable Senator from De Lanaudière (Hon. Mr. Casgrain) made the statement several times-and he made it in my hearing-that the great profits of the railways were made in Eastern Canada and that it was paying for her railways. In his statement of last night he referred to the fact that the people of Saskatchewan have paid only \$2 per head in income tax while the people of Quebec have paid \$10. That statement is likely true, but there is this to be borne in mind, that the people of Saskatchewan and Manitoba and the West generally pay hundreds of thousands and even millions of dollars profit to the merchants and importers of Montreal. That enables them to pay their income tax. Directly and indirectly, it means that the people of Saskatchewan are contributing to that tax, and the merchants of Montreal are getting the benefit of the income.

The particular item with which I wish to deal is the profit that is made by the Canadian Pacific Railway Company in the West as compared with that of the East. I say again, and I defy contradiction, the C.P.R. has made its money in the past and is now making its money much more in the West than in the It is a matter of fact, as proven by East. the C.P.R. itself, that the dividends on its Hon. Mr. TAYLOR.

stock are made practically by the profits earned in the West. Those profits have been made in the past and are made up to the present time principally by the carriage of wheat, and some of it is transported down to The figures I intend to present the East. are not those which my honourable friend from De Lanaudière tried to give us last Session. from some man prominent in railway affairs. who was either afraid or ashamed to give his name. My honourable friend from De Lanaudière wanted to take those figures as conclusive. I will give you, not haphazard figures, but sworn figures presented by the principal officers of the Canadian Pacific Railway to the Railway Department of the Government. I am going to quote now from the evidence of Mr. Symington, who states in that evidence that these figures are from the Canadian Pacific Railway Company. He states that in a five-year period the operating expenses of the Canadian Pacific were as follows: Eastern lines, \$160,000,000; Western lines, \$231,000,000.

Before dealing further with these statistics may I refer to what took place last year, in that honourable gentlemen order may thoroughly understand the situation. The honourable member from De Lanaudière (Hon. Mr. Casgrain) was speaking. He was trying to make out that the great profits of the Canadian Pacific Railway were made on the Eastern lines, and I asked him a question:

Do I understand from the remarks he made the other day, and those he has made now, that the railways make more money on their Eastern lines than on their Western lines?

Hon. Mr. Casgrain: Yes. Hon. Mr. Turriff: If I am in order now-

Hon. Mr. Casgrain: You are not in order; we are all out of order.

Hon. Mr. Turriff: I just want to give that statement an absolute denial, and assert that the C.P.R. and the Canadian National Railways make double the money net profit-

Remember, I am speaking of net profit, not gross receipts.

-in the West that they do in the East; and I will take the first opportunity when the House meets again of putting the figures on Hansard, because I have them right here.

It so happened, honourable gentlemen, that I was unable to make good that statement because I was taken ill; but I propose to do it now. Last night, when the matter was under discussion, the honourable gentleman from Winnipeg (Hon. Mr. McMeans) asked the honourable gentleman some questions. One thing the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) said was:

Will my honourable friend tell us where to find the eficits? In the province of Quebec we have 500 deficits? persons per mile, and in the prairies they have only 120. We have people to buy tickets and travel and to provide freight.

Although there may be four times as many people per mile of railway in Quebec as there are in the West, one person in the West produces double the freight traffic revenue for the railway that the four people in the province of Quebec produce. So there is nothing in that argument at all.

There is the evidence that was given by Mr. Symington:

In that five-year period-

That is, the period from 1911 to 1914-

-the operating expenses of the Canadian Pacific Railway were as follows: Eastern lines, \$160,000,000, Western lines, \$231,000,000. The West was 44 per cent higher than the East. The operating ratio in the East was 72 cents, in the West 60 cents, and in the East prairie West 56 cents. This means that in the case of the East it costs 72 cents to earn a dollar, and in the West it costs 60 cents to earn a dollar. The net earnings in the East were \$43,500,000 and in the West \$1,500,000; that is, the net carnings after deducting operating expenses were \$48,000,000 more in the West, or 110 per cent greater.

So you see, honourable gentlemen, the net profits on the western lines in those five years were more than double what they were on the eastern lines. I am speaking of the Canadian Pacific Railway. That is the sworn evidence of the officers of the Canadian Pacific Railway, and there is no getting around it at all.

Then, the figures for the five years from 1912 to 1916 are as follows:

Operating revenues: East, \$226,500,000; West, \$356,-500,000, the West being $57\frac{1}{2}$ per cent higher than the East.

Operating ratio: East, 73.3; West, 57; prairie West, 54.5. The West net earnings were \$92,500,000 greater than the East, or 154 per cent greater. Net earnings: East, \$60,000,000; West, \$152,500,000.

Then Hon. Mr. Crerar asks:

Are these C.P.R. figures, Mr. Symington?

And Mr. Symington answers:

Yes, these are C.P.R. figures.

Hon. Mr. BEIQUE: What is the honourable gentleman reading from? What is the book?

Hon. Mr. TURRIFF: It is the report of the Committee of the House of Commons on Railway Transportation Costs, 1922.

When the first of these figures I am reading were made the Canadian Northern Railway was not completed, so I can only take the C.P.R. figures. Mr. Symington says:

They are figures furnished by themselves at our request on these various rate cases before the Railway Commission.

They are also the same figures that were presented to the Board of Railway Commissioners by the C.P.R. officials under the Act.

Then he goes on to say that the rates in British Columbia are higher, but I am not dealing with that.

The net earnings were: East, \$70,500,000, and West, \$144,500,000. That is, the West's net earnings were \$74,000,000 more than the East, or 105 per cent higher. You will notice that the gross was only 20 per cent higher, while the net was 105 per cent higher.

On the face of these figures, how can the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) Session after Session make the statement that the East earns more profit than the West?

Hon. Mr. McMEANS: I think he went further than that, and said that Ontario and Quebec were paying for these things.

Hon. Mr. TURRIFF: As a matter of fact, practically all the dividends made by the C.P.R. and paid out to the holders of the common stock are made up of the excess profits made in the West over and above those made in the East.

Hon. Mr. BEAUBIEN: Oh, Oh.

Hon. Mr. TURRIFF: My honourable friend may laugh. These figures come from the C.P.R. officials themselves. He is a director of the C.P.R.

Hon. Mr. BEAUBIEN: Oh, no, I am not.

Hon. Mr. TURRIFF: And I presume a good large stock-holder. I am very glad that he gets his dividends from the West: but honourable gentlemen should not be so ready to blame the West and to say that the profits come from the East when that is not the case.

Now I want to give you the figures for 1921. That is only four years ago. The operating revenues in the East were \$85,500,000, and in the West \$101,900,000. That is, the operating revenues in the West were \$16,500,000 more than those in the East, or 19 per cent greater. The operating revenue was: East 77.21; West, 70.54. The operating expenses are much less in the West, and naturally net profits are much greater. The net earnings for that one year were: in the East \$11,-000.000; in the West, \$30,000.000, or nearly three times as much. The net earnings in the West were \$19,000,000 more than those in the East, or 107 per cent greater.

Mr. Symington was asked:

Q. Where do you get these figures ?- A. From the C.P.R., filed with the Board of Railway Commissioners, in the rate case which we have just been arguing, and filed at the request of the governments I represent.

That is, the Manitoba Government.

Here is some further enlightenment on the

net profits made by the C.P.R. Hon. Mr. Crerar asked:

Q. These figures are for what period?—A. The last 6 months of 1920, when you will understand the large increase in grain rates came into effect in time to catch the 1920 crop. In July on eastern lines the net was 622,000, western lines, 1,053,000; August, eastern lines 855,000; western lines, 1,654,000. There is not a great deal of discrepancy in anything perhaps that anybody can complain of there. In September there is a little more grain moved from southern Manitoba. The grain ripens in September and has been shipped. The figures for September are, for the East, 1,379,000; for the West, 2,759,000. In October, East, 1,400,000; West, 65,588,000.

So the net profit of the C.P.R. on the eastern lines for the month of October was in the East \$1,400,000, in the West, \$6,588,000.

In November the East made a net profit to the railway of \$416,000, and the West a profit of \$4,948,000, or more than ten times as much. In December the profit in the East amounted to \$139,756, and in the West to \$3,828,951, making a grand total for eastern lines of \$4,871,830, and for western lines \$20,-822,726. You will notice that the net earnings in July and August in the West are \$1,000,000 and \$1,600,000 respectively. Some of ithe grain moved in September, and the net jumped to \$2,700,000. October, gave a net profit of \$6,-588,000, as I said before, the largest at any time in the history of the Canadian Pacific Railway.

In the face of these figures, given by the C.P.R. officials, and sworn to, how can my honourable friend try to make this House and the public believe that the C.P.R. makes more money in the East than in the West? Taking not the receipts, but the net profits, I say the railway makes more money on the western end of its business than it does on its eastern end.

Just here let me say that there is now a good deal of discussion about the Crowsnest rates. I see by the eastern press that there is a good deal of talk about the West getting special rates, and about discrimination against the East. I want to say right here and now that if the old Crowsnest rates were put into force in toto, they would include 15 or 20 items of goods largely manufactured in the East, and there would be only two items in the whole list on which the rates would be higher than the rates in the West. In the face of that, what is the use of people complaining that we in the West rates would be higher than the lowest rates would be higher than the general rates down East?

Hon. Mr. SCHAFFNER: To make the matter clear, may I ask the honourable gentleman where he makes the division between the East and the West?

Hon. Mr. TURRIFF.

Hon. Mr. TURRIFF: At Fort William. East of Fort William are the eastern lines, and west of that point the western lines.

Hon. Mr. GORDON: How are the profits ascertained in each division? Suppose a carload of goods leaves Montreal and is freighted through to Vancouver, how is the profit divided?

Hon. Mr. TURRIFF: All the railways keep account of the cost of carrying a carload of freight from its shipping point to its destination. The western lines are credited with the freight as far east as Fort William.

Hon. Mr. GORDON: Just on that point. Practically all the grain of the West is shipped to Port Arthur and stops there The eastern lines do not get very much out of grain. In the shipments going from the East to the West, say from Montreal, the western lines would get considerable profit.

Hon. Mr. TURRIFF: My honourable friend is going on the assumption that we ship nothing but wheat in the West. There is no doubt that wheat is the big itemwheat and cereals; but that is one of the commodities in Canada on which the railways make the most profit. In many cases a carload of wheat runs 80,000 or 100,000 The wheat is hooked on at some elelbs. vator in Saskatchewan or Manitoba, and it is run in train loads to Fort William or Port Arthur. There it is shunted onto a siding or spotted up to the elevator, and the car unloaded in perhaps 20 minutes. Then the elevator people shunt the cars back to a siding and the railway company takes them back west again. No time is lost, and there is no cost of loading or unloading. There is no other commodity that the railroad carries that gives the same profit as wheat and oats and barley and flax. There is a big profit, and very little expense.

You will notice how the figures went up in July and August. There is not much difference between the profit in the East and those in the West until you come to September; then the profits in the West go right up. When you come to October and November the profits in the West in some months amount to nearly ten times as much as they do in the East. That is simply because it takes about 55 cents to earn a dollar there, and it takes 70 odd cents to earn a dollar on the mixed traffic of the East. Of course there is mixed traffic in the West also, but, as I said a few moments ago, wheat is the principal item on which the profit is made there.

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Hon. Mr. BEAUBIEN: Will my honourable friend permit me a question?

Hon. Mr. TURRIFF: Certainly.

Hon. Mr. BEAUBIEN: Does the honourable gentleman remember that last year when the extension lines to be built in the West were under discussion in the Railway Committee Mr. Ruel, who represented the Canadian National, said that the railways made no money on the hauling of wheat?

Hon. Mr. TURRIFF: Unfortunately I was not present at any of those Committee meetings, but I remember a statement made to me many years ago by the late Sir William White, General Manager of the Canadian Pacific Railway Western lines, and one of the most reliable men who ever lived in Canada. He told me that wherever on the prairie there was a railway line with a strip of country twelve miles wide, that railroad was a paying proposition. He must have known. I think both Mr. Ruel and Mr. Macleod, not in the Senate Committee, but during the investigation held in another place a year or two ago, made the statement that in consideration of the haul after the freight reached the main line, most of the branch lines paid for themselves as feeders. I venture the statement that in any part of the prairie country where you build a branch line of railway it will be a source of revenue. It cannot help being so. Construction is comparatively cheap there, as compared with building through a rocky country. Where the Government Railways lose their money is not on the prairies, but through the mountains of British Columbia and through the rough and unproductive country between the prairies and the East. No railway company lose money by their operations on the prairies.

Hon. Mr. SCHAFFNER: That is why the branch lines are wanted—because they pay.

Hon. Mr. TURRIFF: Certainly. Every one of those branch lines on the prairies will pay the cost of construction and produce a revenue to the country. There are some branch lines that will not pay. One or two of such lines were approved by the Senate last year. We have heard a good deal of discussion this afternoon about the Kelowna Branch. Well, my own opinion is that the Government wanted to build that line to carry the Yale election, and that my honourable friends opposite wanted to have it built so that they might retain the seat. I think it was polities on both sides. Right Hon. Sir GEORGE E. FOSTER: That is very bad.

Hon. Mr. TURRIFF: My opinion is that the road should not be built. I do not know so much about it; but I do know there are one or two in the East—

Hon. Mr. SCHAFFNER: In the West?

Hon, Mr. TURRIFF: No: I am talking of the East now. One of the proposed branch line Bills was rejected, and if I had been here I would have voted to throw out one cr two more, because I do not believe they will ever pay. Why should we invest \$12,000,000 or \$15,000,000 in a branch line which has never during 35 or 40 years been known to have traffic enough to pay operating expenses, let alone profits on the capital sunk in it? I would be prepared to vote against any proposed branch line in the West if I did not feel that it would pay its own way. I wou'd be as much opposed to it as to any branch in the East which I thought would not he profitable. It is the duty of every man to avoid doing anything which would make the present condition of our railways worse. There ought to be no capital expenditure where there is no possible chance of earning interest on the money. One thing I cannot understand is why the Canadian Government Railway authorities would want to burden the system with an unprofitable branch, which would make it all the harder to bring the system into a paying condition. It is the duty of the Government, and it is just as much the duty of my honourable friend opposite, to see that only profitable branch lines are built in future.

Hon. Mr. McMEANS: How do you expect the Government to win an election?

Hon. Mr. TURRIFF: You see, they did not win the last one, the election in Yale. They ought to take notice of that fact and not try to build lines that will not pay, even for the purpose of winning an election.

Right Hon. Sir GEORGE E. FOSTER: That ought to be a lesson to them.

Hon. Mr. TURRIFF: But I contend that the party that will do the right thing and will build only lines that will pay, will in the end win more votes in that way than by squandering money in building where it will not pay.

Hon. Mr. SCHAFFNER: What about the Peace River?

Hon. Mr. ROBERTSON: My honourable friend, I assume, recalls that a number of branch line proposals submitted to this House last year were not asked for by the Canadian National Railway Management.

Hon. Mr. TURRIFF: I do not remember whether I was here or not when that question was brought up. The fact that those branch lines were not asked for by the Railway Management was all the more reason why they should not be built. I have a good opinion of the Railway Management. Sir Henry Thornton has done remarkably well considering his opportunities, and I think the Government would be well advised to pay attention to what the Railroad Management say in regard to building or leaving unbuilt, for the present time at all events, certain proposed branch lines which will not in the meantime help the general situation.

The position of the C.P.R. in the East is illustrated by that month of November, 1921. I admit that I am taking an extreme instance for the purpose of illustration. On \$6,000,-000 worth of business they made only \$4,400.

It cost them 99.23 cents to earn a dollar, and on \$6,000,000 they earned \$4,400. Well, in the West, after doing some \$11,000,000 worth of business, they made over \$5,000,000.

Honourable gentlemen, I intended to give these figures last year, but was unable to do so. I have had the matter in mind ever since, and when my honourable friend from De Lanaudière reiterated his statement about the money made in the East having to pay for the West, I desired to point out that there is no truth in that statement; and if the honourable gentleman does not know that, he is not as clever as I thought him to be. As a matter of fact, the West pays about double, or more than double, the net profits earned on the total mileage of the Canadian Pacific Railway.

Hon. C. P. BEAUBIEN: Honourable gentlemen, there are still a few minutes left before adjournment, and they may be sufficient for the few remarks I have to make.

It seems passing strange to me that the policy of the Government should be what it is.

Hon. Mr. GORDON: What is it?

Hon. Mr. BEAUBIEN: I will attempt to describe it. The Government seems to waddle about, astride the country, with one foot in the West and the other in the East.

Hon. Mr. DANDURAND: It is a national Government.

Hon. Mr. BEAUBIEN: And, strange to say, the Government seems to watch very carefully where it steps in the West, but it is not so particular in the East. Any old road however rough will suit the East. One

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would think that the Government would go lame in the East, but it still goes strong with its sixty-five constituencies in the province of Quebec, although Quebec, an industrial province, receives no reasonable measure of protection from the Government and has little hope of receiving any. The Government, without any sort of consideration for the very large and important industries of that province, has increased the British preference. Whatever may be said, nothing has been done to stop emigration. When I hear figures bandied from one side of the House to the other, to establish on the one hand that the country is prosperous and on the other that it is poor, I cannot but recall what Sir Wilfrid' Laurier once said in the House of Commons: "Gentlemen, whatever may be the contention on either side of the House on this score, there is one factor that decides between us. When the people have money in their pockets they are well off; when they have not, they are poor." Well, honourable gentlemen, since the present Government assumed office what have we found? Sixty inillion dollars of the deposits of the people have vanished! And yet the Government has not been very long in office.

The honourable gentlemen opposite endeavour to justify the Government's policy on immigration, but how can they explain the fact that in Quebec the Provincial Government have become so alarmed at the exodus that they have declared their intention of doing their utmost to prevent it? Why have the entire clergy of the province of Quebec mobilized to stop emigration? Figures have been given showing the returns for recent months; but whatever the figures show, everyone must admit, and no one in good faith can deny, that we have suffered terribly from emigration. If you go to any locality what do you see? Houses closed by the score. Do you know that entire schools in Toronto have been closed within the past year, because no children were left to attend them? Is it necessary for me to give you any evidence as to the present deplorable condition? Shall I quote to you the recent words of Sir Frederick Williams-Taylor, General Manager of the Bank of Montreal? It cannot be denied that he is absolutely sincere and impartial in his rather discouraging description of the situation of the country. The General Manager of the Bank of Montreal has to be very guarded in his utterances. What does he say?

That general trade is dull, to put it mildly, is no delusion. Taxation is heavy to an extent that discourages new enterprises. Many of our industries are running on half-time, with diminished profits or no profits at all. The cost of living is high and our population in point of numbers is at a standstill or worse.

What does that mean? No increase in our population? Then where does our natural increase go, if there is no exodus to the United States? Why should our mills be working only half time? Is that prosperity?

Hon. Mr. DANDURAND: The farmer has not the purchasing capacity.

Hon. Mr. BEAUBIEN: Then, let me tell my honourable friend this. If the farmer had our markets which you have given away —not even sold, but given away to foreigners, he could make money, because our people could work, earn money and spend it. What have you done? You have emptied our factories. I could cite factories usually employing 4,000 persons in Montreal, now closed and empty.

Hon. Mr. DANDURAND: That does not apply to the West.

Hon. Mr. ROBERTSON: The West is not the whole country.

Hon. Mr. DANDURAND: They are selling their wheat at Liverpool.

Hon. Mr. BEAUBIEN: I am not discussing the West, and I do not think I need do so. The people of the West are selling their grain at \$2 a bushel. I do not think you are responsible for that.

Hon. Mr. DANDURAND: No, but they have had only half a crop.

Hon. Mr. BEAUBIEN: I suppose the honourable gentleman will not accept any discredit because of their having only half a crop.

Hon. Mr. DANDURAND: I am claiming no credit.

Hon. Mr. BEAUBIEN: Let us therefore discuss the influence that the policy of the Government may have on the welfare of the nation. I say that what you have done is this: you have lowered our tariff and emptied our factories. If you do not take my statement, will you accept the declaration of a man who is president of a very large association, that of the boot and shoe manufacturers of Canada? The boot and shoe industry is located principally in the province of Quebec, and here is the statement of a man from that very province, which gives you sixtyfive seats. This is what Mr. Deslongchamps, the president of the association, says:

Hon. Mr. DANDURAND: I will put against that the speech of his successor, which tells a different story. I thought I had it on my desk. I have it in my room.

Hon. Mr. BEAUBIEN: Will my honourable friend allow me? Mr. Deslongchamps is the president of the Boot and Shoe Manufacturers Association.

Hon. Mr. DANDURAND: He was last year. I will get my honourable friend the speech of the present president

Hon. Mr. BEAUBIEN: I suppose I will have to go on although my honourable friend has gone. I would have liked him to hear this statement of Mr. Dcslongchamps. He said:

It is vital that the internal and external conditions responsible for the present chaotic state of the shoe manufacturing industry in Canada should be remedied if the industry is to survive.

There is an industry which has its main home for this country in the province of Quebec, and it is now suffering, if not dying, because the present administration prefers to have boots imported not only from Great Britain but from Germany through Great Britain. And still it is contended that the present policy suits the country What surprises me, honourable gentlemen, is that the Government is able to continue the policy that it has adopted.

Industrially, there is no doubt that Quebec has been ill-treated. There is no other term for it. It is on that account that we are losing so many of our countrymen by their going across the line. Without any doubt the restoration of a reasonable amount of protection would keep our children at home, and may be would bring back a good many who have had to leave their own country and to go across the line to find work in industries of all sorts.

I suppose, honourable gentlemen, that when you attempt a thing and succeed, it incites you to continue. After having ill-treated the province of Quebec industrially, these gentlemen are attempting to do something else which to my mind is very much more serious. They are attacking the province of Quebec constitutionally. For the first time since Confederation we see a Government aiming a blow—because it is nothing else at the fortress of minority rights in the Dominion. Indeed, there is no doubt that the Senate was created by the Confederation pact the trustee of the rights of minorities.

Now, if honourable gentlemen will bear with me, I would like to read very briefly from an admirable book written by a very remarkable statesman from Ontario, a Liberal, who came to this House, if I mistake not, rather prejudiced against it, and who found therein good reason to change his ideas on the subject. I refer to Sir George Ross.

I would like first to quote what Sir John Macdonald said in reference to the creation of this House; then I will ask honourable gentlemen to hear what the Hon. George Brown stated, so that we may the better understand the thought and purpose of the Fathers of Confederation. This is what Sir John Macdonald said on the 6th day of February, 1865, when the resolutions adopted by the Conference of Quebec were discussed before the Parliament of Canada:

In order to protect local interests and to prevent sectional jealousies, it was found requisite that the three great divisions into which British North America is separated should be represented in the Upper House on the principle of equality. There are three great sections, having different interests, in this proposed Federation. We have western Canada, an agricultural country, far away from the sea, and having the largest population, with agricultural interests principally to guard. We have Lower Canada with other and separate interests, and especially with institutions and laws which she jealously guards against her absorption by any larger, more numerous and stronger power. And we have also the Maritime Provinces, having also each sectional interests of their own, having we do not know in Western Canada. Accordingly, in the Upper House, the controlling and regulating, but not initiating branch, we have the sober second thought in legislation, which is provided in order that each of these great sections shall be represented equally by 24 members. . . To the Upper House is to be confined the protection of sectional interests, and therefore it is that the three great divisions are there equally represented for the purpose of defending such interests against the combinations of majorities in the Assembly.

The Hon. George Brown in the same debate said:

Our Lower Canada friends have agreed to give us representation by population in the Lower House, on the condition that they shall have equality in the Upper House, and on no other condition could we have advanced a step, and for my part I am quite willing that they shall have it. In maintaining the existing sectional boundaries, and handing over the control of local matters to local bodies, we recognize to a certain extent the diversity of interests, and it was quite natural that a protection for these interests by equality in the Upper House should be demanded by the less numerous provinces. . . . If from this concession to equality in the Upper Chamber they are restrained from forcing through measures which our friends of Lower Canada may consider injurious to their interests, we shall at any rate have power which we never had before to prevent them from forcing through whatever we may deem unjust to us. I think the compromise a fair one, and am persuaded that it will work easily and satisfactorily.

The present honourable gentleman, to the best of my knowledge, is the first attack ever made by the Government against the Senate. I will ask permission in a moment to refer to discussions that have taken place on the subject. We are now witnessing, under cover of a very inoffensive paragraph in the Speech from the Throne, the very first

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attack against the Constitution of our country, and against that part of the Constitution which should be and is most sacred to the Province of Quebec. And that attack comes from a Government that lives solely through the good graces of the province of Quebec.

I do not want to refer to the speeches which have been delivered by the Prime Minister and others. That of course would lead me far afield, and I do not think would increase the weight of my argument. I think I can crystallize my argument by saying that the accusation brought against this House for exclusively political purposes is to my mind extremely injurious, because it is creating propaganda against the Constitution of the country. In a word, the Prime Minister and those who have spoken in the same strain, have described this House as a narrow and reactionary body, partisan and obstructive in its policy and operating as a drag on the wheel of progress, and having little to do but protect the rich and privileged classes. It is spoken of as an instrument used in turn by both parties to serve their purposes.

Now, honourable gentlemen, will you allow me to refer very briefly to history to disprove those accusations? No accusation, I believe, was ever made with so little justification. Since Confederation the Senate of Canada has fulfilled its role fully as well if not better than the House of Commons. It has never rejected important measures without serious cause, and if I may rapidly refer to the Bills dealt with by it through a period of years, I hope you will agree with me that it has betrayed no excessive zeal and surely no partisanship.

Sir George Ross in his book states that from the time of Confederation to 1913, 5.871 Bills were sent to this House by the House of Commons. Of this number 1,246 or 21.5 per cent were amended, and 113 or 2 per cent were rejected. During the same period the Senate sent to the House of Commons 1,294 Bills, of which 396 or 31.4 per cent were amended and 113 or 8.1 per cent were rejected. In other words, honourable gentlemen, the action of the House of Commons in dealing with measures that went to it from this House was about four times as drastic as the action of this House in dealing with Bills that came to it from the House of Commons,

Now let us see whether any party has been able to use the Senate for its political preferment. If I may, I will use the words of Sir George Ross for that purpose:

This statement shows that the House of Commons has been more drastic in its amendment and rejection of Senate Bills than the Senate has been of

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Bills sent up by the Commons. It is commonly said that the Senate has used its political majority adversely to the political majority of the House of Commons when the two Houses were not in accord, and on this supposition the charge of partizanship is made against the Senate. From 1887 to 1903 the Conservative party was paramount politically in the Senate. For 24 years of that period the same party was in control of the House of Commons. The analysis of the statement shows that very little difference in the number of Bills amended or rejected by the Senate during those two different periods. For instance, in the 24 years of Conservative majority in both Houses, the total number of Bills before the Senate was 2,569. Amended, 673, or 26.2 per cent—

Which is higher than the percentage I quoted a moment ago-

-rejected, 44 or 1.7 per cent.

In the 12 years with a Conservative Senate and a Liberal majority in the House of Commons the total number of Bills before the Senate was 1,261. Amended, 282, or 22.3 per cent. Rejected, 44, or 3.4 per cent.

In the eight years with a Liberal majority in the Senate and a Liberal majority in the House of Commons (1903-1911), the total number of Bills before the Senate was 714. Amended, 258, or 3.6 per cent; rejected, 17, or 2.3 per cent.

In the two years with a Liberal Senate and a Conservative House of Commons (1912-13), the total number of Bills before the Senate was 415. Amended, 60, or 14.4 per cent, rejected, 1.

I notice that it is now 6 o'clock.

Hon. Mr. DANDURAND: Would the honourable gentleman move the adjournment of the debate?

Hon. Mr. BEAUBIEN: I will move the adjournment of the debate.

Hon. Mr. DANDURAND: Before the motion is put, I desire to apologize to my honourable friend. When I said that Mr. Deslongchamps was no longer the president of the Shoe Manufacturers Association, I was in error. I do not know whether or not he has been re-elected. I was referring to a statement made by Mr. S. Roy Weaver, the manager of the Shoe Manufacturers Associaation of Canada, whom I had taken to be the successor of Mr. Deslongchamps. Mr. Deslongchamps may still be the president.

The motion of Hon. Mr. Beaubien was agreed to, and the debate was adjourned.

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

THE SENATE

Thursday, February 12, 1925.

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

Prayers and routine proceedings.

GOVERNMENT EMPLOYMENT OF O. F. BROTHERS.

MOTION FOR RETURN

Hon. Mr. TANNER moved:

The dates since 1921 during which O. F. Brothers, Editor of the Listening Post, Montreal, was employed by the Government; the Departments under which he gave service; the nature of the services rendered by him; and the several amounts paid to him for services and allowances respectively.

The motion was agreed to.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. Mr. BEAUBIEN (continuing): Honourable gentlemen, at the last meeting of the House I referred briefly to past history in order to demonstrate to the best of my ability the purposes which the Fathers of Confederation had in their minds—and perhaps I might add the hopes which they had in their hearts—in creating the Senate in its present form. I endeavoured to follow that up by demonstrating that, as far as a human instrument could do so, the Senate had attained those purposes and fulfilled those hopes. If you will be good enough to be patient for a few moments longer I will endeavour to close that argument.

The first period to which I referred covered some forty-six years following Confederation. During that time, strange to say, the Senate showed itself very much more lenient in dealing with measures that came to it from the House of Commons than the House of Commons did in dealing with measures that went to it from this Chamber. During that first period we find that, after all, the public legislation which came to this body, created expressly for control over such legislation, was not very much disturbed, only 2 or 3 per cent of the Bills which were sent to us each year being rejected. That is, it seems to me, a very modest percentage, not in any way betraying a fixed intention on the part of this Chamber to antagonize the opinions or sentiments of the popular House. I think, honourable gentlemen, that it has been demonstrated that the Senate has not been a partizan body. Strange as it may seem, because after all we have set ideas in politics, very often the party controlling both Houses had its measures more severely treated by this House than when the political tenets of the two Houses were different.

Now, honourable gentlemen, I would crave your patience while I dilate upon a matter which to my mind is more important than percentages. The objection must have arisen in your mind: "True, the Senate has interfered with only 2 or 3 per cent of the legislation, but that was made up of important measures which the popular House deemed to be essential to the welfare of the public." Such is not the case. Although we find, in closely studying the course of legislation from one House to the other, that some of the measures to which the party in control in the lower House attached a great deal of importance were amended, vitally amended, or even rejected, yet, honourable gentlemen, we must remember that this body was freely created by the public. The Senate of Canada is no pocket edition of the House of Lords. We have been put in a position of trust by a free people. After all, those who created this body were free to do so, and they have selected us, as they have selected the Crown and the other House. We do not spring from old families holding their titles or positions maybe from piracy, certainly from a strong hand, applied in many cases without justice and to the great detriment of the people as a whole. No, honourable gentlemen: we spring from the democracy just as much as those who sit in the other House. Why, honourable gentlemen, let us look around these benches. How many who add strength to this verv House have come from the popular House? Have they changed because they are sitting here? Have they modified their ideas? Do they not come from the public every Session, and do they not go back to the public after every Session and mix with the people, breathe the same air with them, and remain as democratic as the members of the House of Commons?

Therefore I think it is right to say that there is all the difference in the world between the House of Lords and the Senate of Canada. This is a democratic institution created for the purpose of controlling legislation. This body has received a trust which

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it has to discharge, and when important legislation comes before it the consideration that we must have uppermost in our minds and consciences is the discharge of that trust without fear, whatever may be the threats made against us, even if they come from a Prime Minister and the whole of his party.

Now, let us refer to the measures of importance that have come to us in the past, and let us see how the public has viewed the action of the Senate. I am still appealing to the same authority that I cited yesterday, one that will not be questioned on either side of the House. Sir George Ross was a man of talent; he was a dyed-in-the-wool Grit, I believe for all his life. He entered this House laden with prejudice against it, but he changed his mind, and this is the result of his experience during the time that he passed in this House, giving his services to the nation. What does he say in reference to certain important measures which were proposed by the lower House and rejected by this House during the first 46 years after Confederation? Here it is:

Notwithstanding the protection afforded the Senatby the Constitution, and the similarity in origin and status between the members of the two Chambers, there have been cases, of public importance, in which the action of the Senate was regarded as a wanton interference with the prerogatives of the popular Chamber. I cite the following as among the most notable:—

1. The rejection of the Bill for the construction of the Esquimalt and Nanaimo Railway, during Mackenzie's administration.

2. The rejection of the Bill for the construction of a railway from Atlin to Dawson City, under the Laurier administration.

3. The amendment of a Bill for the purchase of the Drummond County Railway, under the Laurier administration.

4. The amendment of a Bill for the Improvement of Highways, under the Borden administration.

5. The postponement of the Naval Aid Bill, under the Borden administration.

As to the first three, it may be fairly said that their rejection or amendment, however much resented at the time by their promoters, is regarded by very few at the present time as deserving of censure. Of the first two neither was re-submitted. The third was so amended as to be acceptable on its re-introduction, and at the worst only delayed the purposes of its promoters one year. The fourth was twice amended, and the amendments of the Senate twice rejected by the House of Commons, and the fifth was delayed until the verdict of the electors could be obtained on the dissolution of Parliament.

I desire to cite Sir George further on this subject:

Nor does experience, at least in Canada, show that the sober second thought of the people, as expressed by the Senate, was not in the last analysis found to be the opinion which stood the test of mature reflection, while it has happened more than once that the opinion of the House of Commons was rejected by the people on whose behalf, par excellence, it claimed to speak. For instance, the House of Commons in 1878, under Mackenzie, believed it represented public opinion on the national policy. The elections which followed proved it was mistaken. And so under Sir Mackenzie Bowell on the Remedial Bill in 1896, and under Sir Wilfrid Laurier on Reciprocity in 1911. On no occasion has the Senate been overruled by the electors, although it has often overruled the opinion of the House of Commons.

May I now refer briefly to the second period. from 1912 and 1913 to 1924. I hold in my hand a complete list of the Bills from the House of Commons, which were rejected by this House, and I desire to thank the clerk of this House for the very useful work which he has done in that respect. These Bills number 41 in all, their number being materially increased by the Railway Bills which were recently submitted to us. This covers a period of 13 years, and honourable gentlemen will readily see that the percentage of rejections remains about the same. In other words, the control exercised by this House has continued. Grist has been brought to the mill. and the same amount of chaff has been thrown aside as being unfit.

But, again, I suppose the objection will be made that if the number of Bills rejected has not increased, the value of certain of these measures, paramount in the opinion of the people, should have been recognized. Well, honourable gentlemen, it has been only within the last two Sessions. I think, that we have seriously locked horns with the other House. Do I need to refer particularly to the reasons for the quarrel between these two bodies? There was the question of railway extensions in 1923. Surely my honourable friends opposite will require no justification for the rejection of these measures. It was evident that this House could not intelli-gently- perform its duty if these Bills were thrust down its throat in the dying days of the Session.

Practically the same Bills were referred to us last Session, with the addition of the Pensions Bill. That also, honourable gentlemen, came to us within a very short time before prorogation. Everybody knows that it was physically impossible for us honestly to say whether the distribution of the enormous sum provided for in the Bill was made meritoriously. Could we determine that question in a few hours? That was impossible. And what happened? If my memory serves me aright, the existing legislation was extended. and nobody suffered at all; and now we are as free to deal with the subject as we were last year-if only the Government will bring down the measure early enough during this Session.

The question of railway extensions needs no comment on my part. Everybody knows that the Railway Committee of this House, and then the entire Senate, gave to this matter more than passing attention. No honest man can point to any of those Bills and say that it was dealt with hastily or without due consideration. Every one of these Bills was carefully weighed by us, much more carefully, indeed, than in another place. As to those that were set aside, we may say, "Errare humanus est"—to err is human; but that we have erred intentionally I deny; that we did not apply to the task before us all the intelligence and good will of which we were capable, I deny.

Let us pass now to the third Bill. That is a particularly sore spot amongst a very important portion of our community. That Bill came to us for the second time, and for the second time we made the same objection. We said: There are two reasons why the Bill. or rather the amendment to the Act, should not pass. First, it would work an injustice. Whereas it would bind one portion of the community, it is evident that it could not be binding on the other portion. Whereas it would operate so far as capital was concerned, it could not operate on the side of labour. But there was another reason, which under the circumstance was paramount, which was the the proposed amendment was clearly unconstitutional. What has happened? We have just heard of the decision of the Privy Council, rendered on the 25th of January last. What does it say? That the views held by the Senate were absolutely right. And now the entire legislation has gone by the board. It was clearly an invasion of the rights of the Provinces, and so the Privy Council has decided.

Then, honourable gentlemen, if we have not dealt too severely with the legislation coming to us from the other House, if in the case of the more important Bills we had, after all, good reasons to act as we did, why—this is the question I want to put to the Government—why are we visited now with the menace that hangs over our heads? Why this visitation?

Honourable gentlemen, it seems passing strange that for the first time since Confederation we are seriously menaced; for I consider it a serious menace. Although I do not agree with them. I have too much respect for many of the members of the Cabinet to think that this is nothing but bombastic talk. I regard it as a serious threat. Why does it come from a Government that practically holds its lease of life from the Province that most requires the protection of the Senate?

I do not like to take a sectional point of view in discussing any measure, but here the Constitution compels me to do so. Do not forget, honourable gentlemen, that when the Senate was created sectional interests were recognized, and the duty was imposed on every one of us of protecting such interests; and now it is my duty-that is why I am speaking-it is my duty to speak for my Province. What I say on behalf of my Province might well be endorsed, I think, in large measure by members who represent other Provinces here; but in this particular instance I have no mandate to speak for other Provinces. When sectional rights are menaced I am authorized to act only for my Province-or, perhaps I should say, in view of the Constitution, for my division, since my Province, in order that sectional rights might be duly protected in every respect, has been carved into divisions and each division has been placed under the charge of one Senator. Therefore it seems to me that it is not only my right. but my duty, to speak for the Province of Quebec. I say it is passing strange that a Government whose life depends almost entirely upon that Province which gives it 65 members, should go now before the country and for the first time lift its hand against this House and against the Constitution of this country.

But people may say: "My friend, you are in error. Why, the Senate has always been attacked." Will you allow me to mention the attacks that have been made in the past—attacks that had nothing to recommend them but the vocal power from which they emanated—attacks that were clearly directed where no harm could be done? Let me rapidly review them.

Hon. David Mills in 1874 suggested that the Senators should be appointed by the Provinces. Well, that matter was disposed of in the House of Commons without even the compliment of a vote.

From 1874 to 1905 not one word was said against the Senate. Then, in 1906 and in 1908 Mr. McIntyre, then member of Parliament for Perth, suggested that the tenure of office of Senators should be modified. The matter was disposed of, as in the first instance, without even the compliment of a vote.

Then came the proposal of Sir Richard Scott, who in 1909 wanted the Senate to be made elective. This new proposition met the same fate: no vote. The matter was thrown aside.

Mr. Lancaster, member for Lincoln, in 1909 and 1910, suggested the abolition of the Senate, and when the question was put to a vote, out of the whole House of Commons only 22 voted in favour of it. Mr. Lancaster was not satisfied, and came back in 1911 with a similar proposition. What happened then? Not even

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the yeas and nays were called. That was the end of the chapter.

And remember, honourable gentlemen, that on those occasions everyone knew that the menace to the Senate was absolutely futile. Everybody knew that even if such a resolution had been passed it was of no avail.

But what have we before us to-day? It is very much more serious. If the Government is sincere, what has it to do? What is the procedure to be followed? How must the members of the Government train their guns if they want to shoot at the Senate? There is the procedure indicated by Sir George Ross, and when I have read it honourable members of this House may form their opinion as to the value of the polite, secretive little menace contained in the Speech from the Throne. Here is what Sir George Ross says:

But while the amendment to the Constitution in the last analysis rests with the Imperial Parliament, the preliminary stages by which it reaches the Imperial Parliament should be followed with the utmost care and deliberation. As I understand the Constitution, these stages are three in number—

1. Consent of all the parties that merged their sovereignty or any part thereof in the Constitution. 2. Approval of the Amendments proposed by both

Houses of the Parliament of Canada. 3. Ratification by an Act of the Imperial Govern-

o. Ratification by an Act of the Imperial Government.

I heard the honourable leader of the House say, "Hear, hear." He evidently approves of what I have read; that is to say, that a Government who really means business, who is not trying to fool the people, but really wants to abolish or curtail the powers of the Senate, must follow that procedure And they have deliberately initiated it. Now, I am not going to be frightened, honourable gentlemen, at the immediate consequences of the Government's move. I know full well that if they hold a conference with the Provinces there will be no agreement. What I do fear is not that at all, because I have examined the record of the Senate and find no reason for the Government's interference and its avowed desire to amend the Constitution. I have looked somewhere else. I have listened carefully to what has been going on in the country. I have heard complaints from the West, from many of our citizens; and they are very respectable, many of them. Though not deep-rooted in this country, they will, with time, become more and more attached to the land and to the traditions of our glorious past, like the great mass of the people of this country. And what have those people in the West, or certain sections of them, said? They have complained that the Senators refused to grant them certain railway extensions, and they have asked the almighty Liberal party

to present them with the Senate's head as soon as it could be cut off.

What else have I heard? I have listened and have heard from another portion of our population, though less numerous than might be supposed, who are also clamouring for the removal of the Senate because, forsooth, it prevents the adoption of legislation which is considered to be progressive. I refer, honour-able gentlemen, to the Trades and Labour Congress. I have before me now a copy of the Gazette of this morning, in which it is stated that a branch of this Congress, the Canadian Railway Brotherhood, have followed in the path of the Trades and Labour Congress in their pilgrimage to Ottawa and have asked the Prime Minister to be good enough to remove this drag on the wheels of progress. I need not do more, honourable gentlemen, than point out that the very same people who are now demanding the removal of the Senate are the people who are asking for legislation to fix the scale of wages, the control of labour contracts, unemployment insurance, and old age pensions. Of course, I understand that people holding such views would desire the removal of the Senate. How could they ever expect to get this country to pass such legislation, which is now hampering a part of Europe, and Great Britain in particular, so long as this House remains in existence? No, they know it, and therefore, not being able to surmount the obstacle, they want to blow it out of the way. The Government has heard the complaints from the West, it has heard the requests from the Labour Unions, and it has made these requests and these complaints its own. Those who should give an example in the land of respect for the Constitution are to-day trailing behind others who have either little interest in the Constitution of our country or who for their own private ends will not hesitate a moment to set it aside. Is not that a very serious state of affairs? That, honourable gentle-men, is the point which in my opinion we must bear in mind. Those responsible for the education of the masses are asking for the removal of one of the main guarantees given by Confederation.

Men pass through here rapidly. They leave in many cases a happy memory, but they are gone. Nevertheless this House has stood since Confederation, and it is meant to stand very much longer. It has a trust to perform, and every man in this Chamber is a pillar of that trust, whatever his own opinions may be. Is it not a regrettable thing, honourable gentlemen, to see a man like the Prime Minister carried away by the demands of a little section of the country; coming here after imprudent speeches and thinking himself obliged to implement his promises by legislation which may mean untold troubles in the future? Yes, you may have a conference with the Provinces; you may have all the deliberations you like, it is true; but be careful and remember the minority in my Province which has so much at stake. Why should the people be educated to rush upon the Constitution to tear it down? For that is what it means. That, honourable gentlemen, is a serious crime against the Constitution, a crime which the Government has no right to commit. And may I be permitted to say this-I do not want to be personal-that those who represent my Province in the Commons have no right to participate in such action, because it is an attack upon the fortress wherein, upon entering Confederation, we have deposited our most sacred right, that of remaining what we are.

I am sorry if I have been carried a little farther than I intended; but perhaps I shall be forgiven if I trespass on your time a little further, to read to you two very illuminating extracts, hoping and trusting that my honourable friends across the House will not forget them. We are not far from a general election. It may appear to be skillful for the time being to say to the labouring classesor that small portion of the labouring classes which has spoken-or to the West-or that small portion of the West which is complaining: "We are going after the Senate now. Help us to come back to power, and then the House of Commons will be in supreme control. The House of Lords, that reactionary body that has dragged after us since the time of Confederation, will exist no more. We will assume the responsibility of undermining Confederation, if necessary, in order to do your wishes and to obey your commands."

But these gentlemen ought to reflect and remember that, after all, few countries have a past equal to ours. They ought to reflect that progress, peace, and quietness have attended this country. They ought to reflect that people have come to us from Europe, from quarters where they could find neither continuous peace nor justice. Why have they come to us? Because, honourable gentlemen, the wisdom of our forefathers laid deep and firm the foundation of a Confederation in which these people are glad to join. It ought to be remembered that because of the wisdom with which the two races of this country have been harnessed to the wheels of progress by Confederation, they have gone on side by side from year to year in peace and harmony. The Government should respect that harmony, and, instead of hounding on the mob to scale the walls of Confederation, their daily preaching should be a word of respect and commendation for the sacred work of our ancestors.

Honourable gentlemen opposite do not need to take my word for it. Here is what Sir Wilfrid Laurier had to say on Confederation and how it should be dealt with by the statesmen of Canada. In 1907, in moving "that an Address be presented to His Majesty for an amendment to British North America Act," by which the subsides to the provinces should be increased, he said:

It is now more than forty years since the various Conferences took place which led to the foundation of the Canadian Confederation, and it is now exactly forty years since the Imperial Parliament, giving effect to the resolutions which were adopted at the Quebec Conference, passed the British North America Act, which within its four corners contains the charter of the Dominion's rights, privileges and liberties. It is undoubtedly a matter of legitimate gratification and pardonable pride for us Canadians that nearly half a century has elapsed before any necessity has arisen for substantial alterations in the enactments of the original instrument, and this is undoubtedly an evidence that the work which was undertaken and carried out by the men who arranged this Confederation was well done. In this respect we may claim that we have been more fortunate than our neighbors, for the ink was scarcely dry upon the Act of Union before new Articles were added to it, and almost simultaneously with the Act of Union ten Amendments had been added to the original instrument. Two more were added soon afterwards, and there were also three additional amendments added at a subsequent period as a result of the great Civil War, which took place some eighty years after the original contract was made.

And this, honourable gentlemen, is what the Right Honourable Sir George Foster, who now adorns this Chamber, said in answer to Sir Wilfrid Laurier on the same subject:

I do not think the ground is well taken, because the Constitution is once formed it must be like steel and iron, and never change. At the same time I quite agree with the honourable gentleman (Sir Wilfrid Laurier), and I think I am in agreement with the majority of the members of this House when I say that the Constitution under which different peoples agreed at a certain time to bind themselves to live their national lives together under a Federal compact, ought to be very respectfully treated, and that there ought to be more than a common reason for dis-turbing that Constitution. There may even be evils turbing that Constitution. There may even be evils and weaknesses developed, but on the other hand, it sometimes is a question of pretty even balances, and whether it is not better to endure these evils, and to make head against the difficulties, rather than to tend towards frequent change, and thereby to gradual taking away from the sacredness and the inviolability of the Constitution and the compact, and making them mere matter of agreement, that is liable to be changed from the stress of party or political or financial or other exigencies.

May I, in closing, commend this thought to my honourable friends across this House? They have nothing to gain except perhaps a transient, petty political advantage. Why cannot they forget that? Their responsibility will be heavy in the future. Have we not enough real troubles of our own to attend Hon. Mr. BEAUBIEN. to and cure? Instead of trying to change the Constitution, and in that way disturbing the peace of the people who congregated to make it, why do they not attempt to give us reasonable legislation—from the tariff point of view, for instance? Why do they not try to close the artery which is now bleeding across the line? They can do a great deal more to help us, but especially they can avoid setting a bad example throughout this country, an example which may be followed by others in the future, notwithstanding the belated efforts of my honourable friends.

Hon. L. O. DAVID: Honourable gentlemen, I rise to say only half of what I originally intended to say. I think it proper to commence by saying that I approve of everything that has been so well said by both of the leaders in this House with regard to the speeches made by the honourable the mover (Hon. Mr. Robinson) and the seconder (Hon. Mr. Tessier) of the Address. I think proper also to say that I share completely the feelings of regret which have been expressed as to the illness and absence of Sir James Lougheed, an honourable gentleman whose ability and kindly disposition I have so often appreciated during the past 25 years. To the honourable the ex-Minister of Labour (Hon. Mr. Robertson) I may say that I think being chosen to replace such a great man as his leader is an honour which he deserves. As to the honourable the leader of the House (Hon. Mr. Dandurand), if I were not to address a compliment to him, it would be because I have done it too often. Perhaps, however, I may say what a lady said once to a gentleman who was paying her a compliment. He said: "Madam, I have so many times complimented you that I do not think I should do it now." "Oh," she said, "do it, do it: a compliment is always agreeable, even when one thinks it is not true." This time, however, it would be true, and what I would say would be sincere.

I will somewhat limit my remarks upon the question of Senate reform, for several reasons, one being that if I were to say everything I intended to say I would repeat a great deal of what the honourable gentleman from Montarville (Hon. Mr. Beaubien) has so well said. Honourable members of this House know that during the last twenty-five years I have brought the question of Senate reform before the House on several occasions; and on those occasions many good speeches were made, one of which I particularly remember by the Honourable Sir George Ross; but no vote was taken on the question, because after having heard what was said by some of the

honourable members of this House I came to the conclusion that the opinion was that it was better to leave things as they were, and that any change would perhaps be more objectionable than the present system. T have always expressed the same view. I have always said, and will continue to say up to the last moment of my life, that any reform the effect of which would be to abolish the Senate or curtail its powers, and to prevent it from amending or annulling legislation passed by the House of Commons, would be contrary to the spirit and good working of our Constitution, to the intentions and declarations of its founders, to the mission which they wanted it to fulfil, and would be a violation of the pact or contract agreed to by the different Provinces when they consented to form themselves into a Confederation.

The honourable member from Montarville has shown that the Hon. Sir John A. Macdonald was of the opinion that the Senate had been instituted to protect the minorities and the autonomy of the different provinces. There is no doubt that the Fathers of Confederation wanted to create a political body strong enough and independent enough to revise and amend, and even reject. any legislation too easily or hastily adopted by the House of Commons, often under the pressure of influences more or less detrimental to the general interests of the country. Their in-tentions are clearly enunciated in the reports of the Halifax and Quebec Conferences, and in the speeches made in both Houses. I had intended to quote some of the speeches made at the time by the Fathers of Confederation; but I do not think it is necessary to do so now. When Confederation was established I was a young man. It may not be thought that I was very young, but I was, and al-though young, I was taking part in the political affairs of the day, especially the question of Confederation. I attended all the assemblies held at the time, and heard Sir George Etienne Cartier proclaim, in his loud voice, in order to induce the French Canadians to accept the article of the Constitution which condemned the province of Quebec never to have more than 65 members: "Do not fear: there will be a guarantee, a compensation, in the fact that the Province of Quebec will be represented in the Senate by one-third of its members." And that argument, that explanation, was repeated by all the newspapers who advocated the policy of Sir George Etienne Cartier. The Senate was to be constituted in such a way as to offer a guarantee to the minorities and for the autonomy of the provinces. That guarantee, it is true, has been greatly reduced by the introduction in the Senate of the representatives of the Northwest. The Fathers of Confederation do not seem to have foreseen the developments of the Northwest; to have considered the effects of its representation when it would have more population than the rest of the country; and, in view of the declarations of Cartier, it is not certain that he would have accepted the new Constitution if he had foreseen what is now taking place.

At all events, it cannot be denied that the establishment of a Senate having the power to modify and even reject legislation passed by the House of Commons was one of the essential conditions of the pact which took place between the old provinces, and that consequently no modification of that pact should be adopted without consultation with and the consent of each of them.

It is needless to say that the consent of the Senate would also be required and to add that it would not probably be disposed to be deprived of its powers, to assent to its mutilation or death. The consent of the Imperial Parliament would also be required. And before all those consents are obtained, that of the Senate especially, much water will pass under the Ottawa bridge. So that the Prime Minister will have reason to say that it is not his fault if he was unable to fulfil his promises -that it was the fault of the Senate. It will not be the first time that Government will try to save themselves by making of the Senate a bouc emissaire, or a scapegoat, and I am surprised that they thought it opportune to deprive themselves of that resource. But the Prime Minister is not on a bed of roses, and he has given proof of ability in controlling the dangerous elements which threaten all the time to destroy his government.

Now, to all the reasons given by the Fathers of Confederation to justify the establishment of the Senate and the granting to it of the powers which it possesses, we must add that the extension of popular suffrage and its effect upon the character of the composition of lower chambers renders more necessary than ever the establishment of upper chambers. It cannot be denied that in Canada, as everywhere else chambers elected by groups and elements are inclined to adopt legislation which requires control. How is it that many eminent public men do not foresee the consequences of the existing electoral system and of the pernicious theories and doctrines which are invading the popular classes? Several reforms which are advocated in order to improve the condition of the working people are good and just; but unfortunately, after having been advocated by reasonable people, they are spoiled by dang-

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erous demagogues who want to upset the fundamental principles of society. History teaches that such is generally the result of the most beneficial popular movements, and we have now striking and sad examples of that fact, in Russia, and even in England.

Speaking of the labouring classes who are opposed to the Senate and want its abolition, as the honourable member from Montarville (Hon. Mr. Beaubien) has just said, has the Senate opposed just legislation in favour of the labouring classes? What have we refused to do that was reasonable and just? And where is the man who would refuse in future to do what he thought to be in the interests of the labouring classes, provided it were not against the interests of all other classes?

The example of England is invoked to justify the projected change. But it must not be overlooked that the constitution and mission of our Senate is very different from that of the House of Lords. The House of Lords does not exist like the Canadian Senate in virtue of a written Constitution and of a special pact agreed to by the different provinces for a special object in order, as the honourable gentleman from Montarville (Hon. Mr. Beaubien) has just stated, to protect the autonomy and the rights of those provinces and of the minorities. And the majority of the Lords, composed in great part of hereditary members, of great proprietors of immense domains, of men proud of their ancestral traditions, is not considered favourable to the reforms required by modern progress, by the needs of our time; while our Senate is really as the honourable member from Montarville has said, as democratic as the House of Commons, composed in great part of men who have been members of that House, and consequently have been subject to popular suffrage, have remained in contact with the people, and have no special privileges and interests to protect. There is not then, the same reason to fear the influence of their political and social ideas. And let us wait. I may not see it, but you honourable members who are still young will see it: you will see that before long England will regret having curtailed the powers of the House of Lords.

At all events, I repeat that our Senate has been established in virtue of a special contract which cannot be modified without its consent and that of each of the Provinces which have been parties to that contract. And that consent will not, I am sure, ever be obtained.

And why all this agitation against the Senate? Only because it has judged proper, in Hon. Mr. BEAUBIEN. the interest of the country, to save millions of dollars required for railway branches the construction of which was not urgent, and because it had not the information which it wanted to justify so great an expenditure at a time when economy was considered necessary, was required by public opinion, and was advocated by the Government itself. As the fact that the Senate has done what it has deemed to be in the interest of the country cannot be denied, it is difficult to understand that its conduct in this instance can be used as an argument for its abolition or the curtailing of its powers. On the contrary, it is a reason for praising the Senate for having been independent enough to do what the interests of the country required. It was not inspired by partizan motives, since many liberals-I know one of them, anyhow-voted with the Conservatives on that question.

If the Senate were to be deprived of the power of checking a measure which it thinks dangerous and detrimental to the general interest of the country, it had rather be abolished, because it could not fulfil the mission for which it was established.

I think, honourable gentlemen, I have said enough for the present on this question, which naturally requires great development. The honourable member for Montarville (Hon, Mr. Beaubien) has spoken so well and has said so much about it that I do not think it is necessary for me to continue on this line.

Now, a few words on some other matters.

The members of the Government have reason to congratulate themselves upon the fact that the balance of trade is in our favour and that our exportations exceed considerably our importations. This shows that our trade is prosperous; but we must not forget that the greater part of that balance consists in our natural products, wheat and lumber especially. But that element of prosperity is temporary, accidental and may be in great part upset by bad harvests. And, moreover, would not the country be more prosperous if industry were more prosperous, employed more men and gave to the different classes of our population more money to buy its products-in other words, increased their purchasing power.

Hon. Mr. DANDURAND: I would point out to my honourable friend that our exports of manufactured goods have increased considerably over the preceding year.

Hon. Mr. DAVID: Yes, but what does the honourable gentleman say of the imports of manufactured goods from England and the United States, which create so dangerous a competition for our products?

But I will not say more on that subject until we have all the information which I hope will be given on it. I will content myself with reminding the honourable members of this House that last year I made a motion on the question of preference and tried to show that the importation of foreign goods was very detrimental to some of our industries, especially boot and shoe manufacturing, iron and woollen goods. Well, statistics which have been published lately show that my assertion was well founded. But, as I have just stated, I will wait for further information before saying anything more on that question. However, I trust that if the manufacturers, especially those at the head of the industries I have just mentioned, come before the Government, and if statistics show clearly that they are suffering from the competition of foreign goods, the Government will do what their interests and the interests of the country require. I cannot believe that the Government would refuse to do for those industries what is absolutely necessary.

I intended dealing also with the question of our immixture in European matters and quarrels; but, as this question will come before the House when the Protocol is discussed, I will reserve my remarks until then. I will content myself with recalling that two years ago I expressed the fear that our participation in the deliberations of the League of Nations might be a cause of friction and various complications in our relations with England and the United States. I think I shall be able to show also that my fear was well founded, but I will not say more for the present.

I wish only to answer certain remarks made by English newspapers and by some gentlemen in Montreal tending to show that our advocacy of a Canadian policy was exaggerated. I admit that the French Canadians are inclined to consider Canadian interests before all others. It is a feeling which can be very easily explained. Honourable gentlemen, the French Canadians have more reason than any other people to be attached to Canada, especially those who came late into this country. We are the heirs, the descendants, of the great men who laboured so hard, suffered so much, and shed their blood for the introduction into this country of Christian civiliza-tion. From one end of Canada to the other, from the Atlantic to the Pacific, from the icy waters of the Hudson Bay to the flowery shores of the Mississippi, they have left testimonials of their heroism. We owe whatever we have of prosperity to the existence of these men. The stones of our mountains, the waters of our rivers, the trees of our

forests, sing their praises, and those who have read our history, especially the history of the foundation of Montreal, must admit that naturally we feel bound to preserve that glorious heritage which was transmitted to us, and to devote all our energy to the happiness and prosperity of a country for which our ancestors made such sacrifices.

Now, honourable gentlemen, much is said of the Bonne Entente-mutual understanding. People come in great numbers from the Province of Ontario to the Province of Quebec in order to create a good feeling between the two races. There are certain questions which are the cause of division, which I will mention later on, and which will remain the cause of division until they are removed from Confederation. The fact is that, whether we are of French or of Anglo-Saxon origin, we must be proud of our origin, proud of the achievements of our ancestors, of the great things done in Europe and throughout the world by England and France; and we in America, especially in Canada, must endeavour to do what they have done elsewhere. So we must have the same object in view in order to make Canada a happy home for our children and for the millions of people who are coming to live on our shores, and who will continue to come, particularly if they have reason to hope that here they will not be subject to the calamities and the troubles which afflict the European world.

When I think of the elements of progress and prosperity which Canada possesses, I cannot understand or approve a policy which would injure its glorious destiny. The destinies of a country founded and developed by the two greatest nations of the world cannot but be brilliant and glorious, provided the people devote all their activities and energy to the development of its natural resources.

My conclusion is that the best way of doing our duty towards England and Canada and to promote between the different races and provinces of Canada the unity which is so much spoken of, is to adopt a true Canadian policy having for its special object the welfare and happiness of Canada and the care of its future and its destiny. We must not forget that in the framing of our political, international, and economic policy we must take into consideration the fact that we are living in America and not in Europe, and that we have as our neighbour one of the greatest nations of the world, a nation that supplies us with almost all the capital we require to develop our natural resources, and with whom we must live in peace and harmony in the interest even of England. Neither must we forget that our position in America is very

different from that of Australia or New Zealand.

My last words are those uttered by the great Edward Blake in 1871 and 1872 in speeches made in the province of Ontario these ought to be our motto, our device, the inspiring spirit of our policy: "Canada first."

Hon. J. S. McLENNAN: Honourable gentlemen, knowing the modesty of the mover and the seconder of the Address, I need not add to the burden of laurels which they have already received, except to say that I feel satisfaction, as all do, in knowing that we have them as members of this House—one a man of great experience, the other, a more recent acquisition, a man who will add to its activities, and who will help us to defend it from those perils which apparently await it.

I felt in sympathy with the mover of the Address in his somewhat optimistic view, but recognized that it was partly due to the tones of his voice, which were so cheery. I cannot feel seriously concerned about the ultimate destinies of Canada, knowing its resources, knowing what the people of Canada have already achieved, and I need not take even so long a view in considering what has happened during the last year. I understand that \$1,000,000 of new life insurance was written in this country every day of 1924, and life insurance is a form of saving which certainly requires cash and the assumption of obligations for the future. I find that our securities are eagerly looked for in the markets of the people whose whole prosperity depends on their guessing rightly as to the value of the securities of states or corporations. Those people are Americans, and have good reason to know us.

But while that is true, it is also true that there is unemployment and dull business; there is emigration which causes those who are actively engaged in affairs the greatest uneasiness and dissatisfaction. But I believe the feelings of uncertainty and uneasiness caused by business difficulties, and which are checking the enterprise of this country, are not so great as the uneasiness caused by the fact that we do not know with any degree of certainty the course of events in the immediate future. Of these things, of course the tariff is the most important: it touches practically every phase of business. The utter-ances of our Ministers and the course of legislation in the immediate past have made for a paralysis of business. People are not building extensions, they are not launching out upon new ventures, and the banks are overwhelmed with money which they find

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great difficulty in putting out in a proper way, all because they do not know what is going to happen. That is a most serious feature. It seems to me that if the business people knew definitely that there was going to be a reduction in the tariff, whatever it might be, and that it would remain in effect for a certain length of time, those actively taking part in our affairs would have more heart and would step out more briskly and firmly than they can when no one feels sure how long policies may continue or to what they may lead. I feel certain that the honourable gentleman who sits opposite me (Hon. Mr. Dandurand) and who looks perilousiy as though he were asleep-I know he is notwill not think I am speaking in an unduly partizan way when I say that this condition is due to a very great extent to the absence of a declared policy on the part of the Government.

That feeling extends beyond the bounds of Canada. I have here "Commerce Reports" for November 3rd published by the United States Department of Commerce. It is an admirable production and most creditable to them, and I think that if any of my fellow members look through it, if they have not already done so, their reaction will be very much like my own, namely, pride in the fact that the independent and trained observers of another country have so many things to say about Canada, its resources, and the way it does its business. On the other hand, I think they will have the same feeling of apprehension which I had when I observed the strenuous and skillful efforts which this department of the United States Government is making to assist its merchants and exporters and manufacturers to capture the market of Here are the headings: "Trading Canada. under the laws of Canada; Canadian tariff policy and American export trade; share of United States in foreign trade in Canada; United States investments in Canada; Canadian banking." It even goes so far as to draw up a skeleton plan for sending travelling salesmen through this country, giving the cost of railway fares, hotels, and other expenses.

Hon. Mr. DANDURAND: What is the date of that issue?

Hon. Mr. McLENNAN: November 3rd, 1924.

But what I wish to call attention to is the special article on the Canadian tariff policy and American export trade, which was prepared by Mr. Henry Chalmers, Chief of the Division of Foreign Tariffs. He says:

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Since the return to power in 1921 of the Liberal Government under Mr. Mackenzie King, the Administration efforts have been spent towards a discriminating downward revision of the tariff, in which the Government appears to have had the support of the Progressive element.

That we can testify to.

The Canadian tariff is subject to revision each spring when the Minister of Finance presents to Parliament the budget embodying the general financial programme of the Administration for the year ahead. Each of the three budgets presented by the present Government has carried changes in the Canadian export duties, and almost invariably downward.

Another paragraph of the same article, previous to the one I have just read, refers to the establishment of branch American institutions in Canada. It is the one article in the whole series dealing with Canada which fails to give statistics which are complete. and, as far as I am able to judge, accurate. There are no statistics given as to the number of such establishments. We know how many there are, and how important they are, and we are told by many people that those establishments are now halting, waiting to know whether to expand or to withdraw to their own country, shut up the Canadian institutions and amortize the investments they have made in this country by charging higher prices to Canada for the goods of the parent factories in the United States.

Hon. Mr. BELCOURT: Will my honourable friend tell us what they are waiting for?

Hon. Mr. McLENNAN: They are waiting to know what the policy of Canada will be.

Hon. Mr. BELCOURT: Do we not know?

Hon. Mr. McLENNAN: I am speaking only on general principles of psychology. It seems to me that it would be very natural.

Hon. Mr. BELCOURT: The Speech from the Throne is pretty plain.

Hon. Mr. McLENNAN: I did not grasp that there was any reassurance in that.

Hon. Mr. BELCOURT: I think the language is that there is to be no tariff tinkering or changing at all.

Hon. Mr. McLENNAN: For this year.

Hon. Mr. BELCOURT: Yes. So, if they are waiting for something they have got it.

Hon. Mr. McLENNAN: If that is the case, we may find that they will at once go on with the revival of business, which we are all hoping will take place.

Hon. Mr. BELCOURT: That will be the answer to the question, when they see it.

Hon. Mr. McLENNAN: Nous verrons.

Hon. Mr. ROBERTSON: They will wait until Parliament is over.

Hon. Mr. McLENNAN: What I was going to read was this:

In fact, there are movements under way now which a year hence may considerably curtail the advantages of operating branch factories in Canada, at least from the viewpoint of supplying foreign markets.

I am puzzled as to what they could be. I do not know, and in the presence of so severe a critic I am going to make no guess; but I think it might be worth while for honourable members of the Government and of this House to ponder as to what was possible last November to check the increase of American establishments in Canada or lead to their withdrawal, other than action on the part of the Canadian Government.

I admit that the task of this Government, or of any Government in the sort of period through which world affairs generally are now passing, is an extremely difficult one. We are attempting to do through parliamentary institutions a great many things for which they are ill fitted. They grew up and developed for a political purpose, namely, to maintain, to extend and to obtain recognition of the rights of the people, to safeguard those rights, and to provide for the security of the realm or the nation and for the equities of the people living in it, in their relations one with the Whilé no country has ever been inother. different to the material things upon which its existence depended, still the great purpose through many centuries has been the obtaining and then the maintenance of the rights of the plain people, and parliamentary institutions were the best means ever devised to gain those objects. But now the economic and industrial problems are more weighty and of more importance. All the fundamental and primary liberties having been achieved and being now certain and solid, the industry of a country has become the most important matter to be dealt with for the wellbeing of Much of it, of course, is its inhabitants. carried on without relation to government. But in the many things with which governments or parliamentary institutions, such as we have them, must deal, the same primary law applies as in the case of individuals, namely, the principle of self-preservation, and this makes it extremely difficult to obtain effectiveness in dealing with economic questions.

I have here in a little folder some statistics which show how important industry has become in Canada. In 1890 we exported about \$85,000,000 worth of goods. In 1923 we exported over a billion. In other words, we increased the volume of our exports ten

times, while our population doubled. The point referred to by the honourable leader a few moments ago will support my contention. In 1890 only 6 per cent of our exports were manufactured goods. In 1923 manufactured goods represented 40 per cent of the total value of our exports, and there was in addition something like 16 per cent of goods described as partly manufactured. I do not know whether those would comprise pulp timber with the bark taken off or not. At all events. these are the figures that are given. And all this increase has come about in 30 years, and it will undoubtedly continue in the same proportion.

It was therefore with some regret that I observed in the Speech from the Throne no allusion to a tariff commission, which I had hoped from some things said towards the end of last Session in another place would likely be formed. It looks as if we must wait until after another election before we shall have such a commission.

Hon. Mr. BELCOURT: But my honourable friend says he would be prepared for a reduction.

Hon. Mr. McLENNAN: A reduction of what?

Hon. Mr. BELCOURT: I understood my honourable friend to say this, that he would rather have a reduction of the tariff than this uncertainty.

Hon. Mr. McLENNAN: No, I said that it would be better if the country knew that there was to be a certain reduction, presuming it to be a reasonable one. If such a reduction were fixed for a definite length of time, the country could do better under it—

Hon. Mr. BELCOURT: Yes; I understand.

Hon Mr. McLENNAN: —than under the uncertainty which now prevails.

Hon. Mr. BELCOURT: That is what I have tried to say. That is what I understood.

Hon. Mr. McLENNAN: As to the tariff commission, I know that all those who are in favour of it or all those who are indifferent or opposed to it, do not sit on the one side. I have felt for many years that the whole question, which involves not only tariffs, but also transportation and everything else that affects production and distribution, is an enormously complex and difficult one, which cannot well be dealt with by private representations, sometimes made in good faith, sometimes with a desire for personal ad-

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vantage. There ought to be an independent body before whom anyone could go and present his case for consideration, in regard to the tariff. If consideration were given to the consumers' point of view, or, for example, to the manner in which a tariff might be nullified by railway or other transportation difficulties, that would be of considerable advantage to Canada.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman a question while he is on that point? What would he think of a uniform tariff like that which we had at the beginning of Confederation? Then there would be no question of a scientific tariff.

Hon. Mr. McLENNAN: Certainly I think it would have some very distinct advantages.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. McLENNAN: That has been impressed on me by an address given at McGill by our friend Mr. Jones

Hon. Mr. CASGRAIN: Hear, hear-Mr. Frank P. Jones.

Hon. Mr. McLENNAN: He has been enormously successful in business and has had a wide business experience. For example, a tariff commission could examine thoroughly into that proposal, and if they agreed to it, the matter would be a very simple one.

I may say incidentally, honourable gentlemen, that I am not proposing a taniff commission such as the one they have in the United States, which fixes the rate of duty. I think that under our Constitution that could not well be done by such a commission.

Hon. Mr. BELCOURT: That is a permanent commission, is it not?

Hon. Mr. McLENNAN: Yes. But the commission of which I am speaking would examine the facts, and the Government and the country would know the facts on which the Government decided that rates should be thus and so. One of my colleagues told me the other day that his concern had lost a considerable amount of business because someone had gone to the Minister and said that such and such a thing was not manufactured in Canada and the duty on that article was taken off.

Hon. Mr. GORDON: That is what is the matter with Canada.

Hon. Mr. McLENNAN: That may be; but there are various ways of doing it.

As you know, honourable gentlemen, I come from a great industrial centre where there has been almost complete stagnation for the last six months, both in the steel works and in the coal trade, which has been very poor. The situation there has been so serious, it has so affected the prosperity of the whole province of Nova Scotia, that a deputation came to the Government here a few weeks ago. It represented the Allied Boards of Trade and the Government of Nova Scotia. The Premier of Nova Scotia read the whole or part of an editorial appearing in a paper which is ordinarily in opposition to him, and he said, "I can subscribe to that." Such harmony on a question of that kind has, I think, never before existed in the Province of Nova Scotia. The deputation were in a position to point out to the Government that the rate of duty ad valorem on coal had sunk from the position of being somewhat on a parity with other duties when it was imposed, down to the level of about one-half or one-third; and the decrease was about the same on steel.

Furthermore, improvements in the art of combustion have created a different situation with regard to slack coal. At the time it was made free it was a drug on the market. In those days we practically gave it away at Sydney at 15 cents a ton. It was a bother: you had to get rid of it. Representations were made that it would be no harm to allow that into Upper Canada from the United States. Of course, we could not send it from Cape Breton. The situation is completely changed. The fuel value of the fresh-mined slack is today very little below the value of run-ofmine coal.

There is still another factor. The works in Cape Breton are suffering from the competition of steel works in Belgium and other continental countries with depreciated currency. There is provision only for certain ad valorem duties on goods coming from certain countries. Sufficient recognition is not given to the fact that a country like ours has practically a gold standard, whereas the currency in countries like those others is at about onequarter of the gold standard. Even if one's theory be as near to actual free trade as it is possible to attain, one must admit that competition from those countries whose currency is depreciated is absolutely unfair, and I trust that the Government will provide a remedy.

Hon. Mr. GORDON: What is the cure for that?

Hon. Mr. McLENNAN: The cure for it is that in imposing customs duties the valuation should be placed at a reasonable proportion, say 50 per cent. I think it is in the case of the ad valorem duties, but that does not

apply to articles such as the steel we produce, on which the duty is specifically so much a ton.

Hon. Mr. CASGRAIN: It is specific on coal too.

Hon. Mr. McLENNAN: It is specific on coal too, and it has fallen from 25 or 30 per cent to 7 or 8 per cent.

Hon. Mr. GORDON: May I ask the honourable gentleman a question—whether he would prefer to have a tariff commission appointed, or a good, stiff tariff put on immediately?

Hon. Mr. McLENNAN: It would be infinitely preferable to have a tariff commission, because I think that would be a more permanent method and more closely allied to the needs of the country, which have changed irom time to time, as the country progressed, and which will change again as it continues to progress. A tariff board would keep the country informed. It would appeal to their common sense, to their patriotism, to their desire to be a fully equipped nation in every respect. We have established our universities, not because our children could not go away and obtain an education elsewhere, but because we want to be a real nation, not cut off from the rest of the world, but self-sustaining and equipped with all that a nation with ambition and high standards should have. On that ground I believe that the people of Canada desire to have industries established and maintained in our midst, and in view of the tariffs imposed by our neighbours to the south, this cannot be done without a policy which provides protection. It would be justified by the results obtained in the country.

Hon. Mr. GORDON: My honourable friend is from the Maritime Provinces, and, I understand, knows all about the steel and coal business down there and its requirements. I am looking for information. What I would like to know is this: Does he not think that business would flourish down there if a good, stiff tariff were fixed on coal?

Hon. Mr. McLENNAN: I think it would. But I did not think the honourable gentleman was going to ask me that question.

Hon. Mr. GORDON: Is not that what my honourable friend is looking for? I desire simply to ascertain whether he wanted only a tariff commission, or wanted a good tariff.

Hon. Mr. McLENNAN: At the present juncture, as there is no tariff commission, we certainly want at once an adequate tariff; but I would like to see the question of tariff dealt with in a more permanent way and more satisfactorily to the people of this country, through a commission.

Hon. F. B. BLACK: Honourable gentlemen, I have listened this afternoon with a great deal of interest to the remarks that have been on the Address in reply to the Speech from the Throne, particularly to those made by the gentlemen from Quebec who spoke of the constitutional aspect of any reform which might be suggested or proposed of this body of which we are members. I was very glad indeed to hear the discussion along that line, and to get the information brought out by the honourable gentlemen.

Personally, however, I may say that I have never yet taken the matter of Senate reform in a very serious way. If I have read correctly the history of Canada since Confederation, and if I follow the various discussions that have arisen in the other Chamber from time to time, it seems to me that in almost every instance when there has been a clamour for the reform of this Chamber it has arisen not from any spirit of democracy but rather from a spirit of tyranny. Whenever members of the other Chamber have asked for the reform of the Senate it has been because they were not getting just what they wanted. On the other hand, there has never yet, so far as I know, been any question upon which the people of Canada have given their opinion at the polls upon which their decisions have been reversed by this Chamber. Such outbreaks have always been because of one Chamber resenting criticism or corrections or restrictions being put upon it by another Chamber which was created at Confederation for that very purpose.

The two great races of Canada are Anglo-Saxon and French. Both the countries from which those races come have tried the single Chamber idea, and after experience both nations have gone back to the dual Chamber system. Great Britain, at the time when Cromwell abolished the House of Lords—

Hon. Mr. BELCOURT: The Parliament.

Hon. Mr. BLACK: Cromwell himself said that he thought it was the divine interposition of Providence which enabled him to do away with the House of Lords. What was the result of that action? Cromwell had the reins of power only a few years when he said: "Give me a House of Lords or I will give up control of the public life of Great Britain." The result was that during Cromwell's regime the two Chambers were re-established. The same thing occurred in France, the mother country of the other Hon. Mr. MCLENNAN. branch of our Canadian Confederacy. At the time of the French Revolution everything was abolished. Then one Chamber was established, and that condition continued there until it was found to be as great a failure as it had been in Great Britain, with the result that they now have two Chambers, the senior and the junior. The history of more advanced nations in modern times very clearly indicates the necessity of two Chambers, one acting as a balance wheel to the other.

Canada to-day is as democratic as any other country in the world, and our second Chamber is the essence and spirit of democracy, whereas a single Chamber is the essence and spirit of tyranny. It may be tyranny from below rather than tyranny from above, but nevertheless it is tyranny, and it would be very unfortunate if that form of tyranny should ever come to this country.

However, I do not believe the people have any idea whatever of adopting the system of one Chamber exclusively, and I do not think that we need worry ourselves at all as to the result if a plebiscite were taken on the question.

As for the eastern provinces, which created Confederation, there cannot be any doubt that they had the two Chambers in their minds at that time and will stick to that.

I desire for a brief time to make some remarks with regard to the Speech from the Throne. I for one am a Conservative and always have been. I believe in conserving our resources. If I have a dollar I believe in spending only ninety-five cents, and keeping the other five cents in reserve. If I have a dollar, I do not believe in spending one dollar and five cents or one dollar and ten cents.

I am very much pleased to notice the spirit of optimism set forth in the Speech from the Throne. I cannot, however, agree with those who spoke on that subject so admirably, and who in their addresses asked us to believe that the spirit of economy and progress had been carried out. If you refer to the second paragraph of the Speech you will see, referring to the cost of living, that "even the most rigid economy in public expenditures will not suffice to solve this problem." That paragraph presupposes that the present Government has practiced the most rigid economy during the past year. I do not propose at this late hour and at this late time in the debate to go intimately into that question, but I desire to call the attention of this House, and I wish to ask the representative of the Government here to call the attention of his colleagues, to some items that were set forth in an address

which I made in this Chamber in May of last year in speaking on a question somewhat similar to the one on which I am speaking to-day. At that time I said:

Canada is the only Anglo-Saxon country in the world that is still paying the peak of taxation and that has not substantially reduced the national debt. Canada is the most over-governed country on the face of the globe.

Those remarks were absolutely correct and true when made last May, and they are quite as true to-day as they were on that occasion, and I do not think that any member who supports the present Administration, or any optimist in the Dominion of Canada to-day, is so optimistic as to say that there has been any real reduction in the cost of carrying on the government of Canada, or that there has been any real effort made to take care of our financial and industrial condition, and to put this country in a better position than it was a year ago.

As a matter of fact, last year I made some suggestions which were not based on conjecture, but upon absolute statistics and facts. I clearly set forth at that time several means whereby the present Government, or any other Government, could very easily effect a saving of about \$15,000,000 in what we may call the permanent expenses of the Government. There is no doubt that any administration that so desires, in view of our very straitened financial condition, could by taking advantage of some of those suggestions save millions of money to the people of this country. On that occasion I made some further suggestions whereby, if economy along other lines were exercised, something in the neighbourhood of \$50,000,000 might be saved; but I do not think that anything has been done.

We learned from listening to the addresses made in the other Chamber on this question, that the claim is made that the national debt of Canada has been reduced by \$2,000,000 odd during the year. If that is so, it is a very good thing; but the amount is so infinitesimal that it is hardly worth consideration.

If you go on further in the Speech from the Throne you will find that great attention is being paid to the development of the industries of this country. In that regard I am going to speak only of a portion of the Maritime Provinces, and I am not going to go into very much detail. I am, however, going to call your attention to certain conditions as exemplified by our closed factories, the lack of business, and so on.

Reference has been made by the honourable gentleman from Cape Breton (Hon. Mr. Mc-Lennan) to the condition which exists in that section of the country. A year ago in this Chamber and in the other Chamber the attention of the Government was called to the fact that there were factories closing down all over Canada, and yet so far as I have been able to ascertain no effort has been made either by a tariff or by any other means to give employment to the workmen and to open up those factories.

I want, however, to call attention to the conditions in the Maritime Provinces, beginning at Cape Breton, and extending through a section of the country over to the Maine boundary. In Cape Breton within the last two years the Jubilee Mine has closed down absolutely. That mine employed an average of 500 hands, and sometimes the number went as high as 700. The No. 1 colliery has closed down absolutely. It employed 70 men. The Sydney Mines steel plant, with an average of 850 employees, is closed and is not turning a wheel. In those three industries alone in Cape Breton 1,430 employees have been put out of business, some of whom have gone to the United States, while others are living almost in penury. And yet the present Government claims that this country is in a splendid financial condition, and that industry is flourishing.

But that is not all. There are thousands of men employed principally in the mines and in the industries connected with them in Cape Breton. Are they working full time? No, they are not. For the last twelve months they have been averaging only three days' work per week. If the industry of this country was as flourishing as we might reasonably expect it to be after the various addresses that we have heard during the last three days, these men would be working full time. But here they are working half-time, and trade languishes. There is no market for the farmers in the vicinity of the mines, and the merchants can scarcely carry on. If you care to look at Dun & Company's reports you will see the effect of this condition on the merchants in Cape Breton.

Now we will move over to the New Glasgow section of Nova Scotia, which takes in New Glasgow and Trenton and Stellarton. It is true that that particular section is very largely under the control of the British Empire Steel Company. The same conditions that exist in Cape Breton exist in New Glasgow, Stellarton and Trenton, except that there are not so many plants absolutely closed. The average working time there is from two to three days a week, and if it were not for the fact that the wage scale is fairly good the men employed there would be unable to keep their families.

Now, I want to run down to Halifax-it is a little off the line-and call attention to conditions there. The shipyards are idle and doing nothing; the industries of the place are languishing; the building trade is absolutely dead. In December last year there were 7,000 fewer men employed in the building and allied trades than were employed three vears ago. The fact is that last December there were 1,100 idle men absolutely out of employment in the city, and between two and three hundred houses vacant which at one time had been occupied.

Hon. Mr. TANNER: I may tell my honourcurable friend that the public stone shed is quite busy.

Hon. Mr. BLACK: Doles, I suppose, that the people may get something to live on by breaking stones. That is what the progressive policy of this Administration has done for the city of Halifax.

Upon going to Amherst, what do I find the conditions to be there? I find that four of the leading industries are entirely closed, and not only that about 2,000 men are out of employment, but that many have left the town. There is street after street where the shutters are up and the doors locked.

Now we come to New Brunswick. The same conditions exist in that province that exist in Nova Scotia. In the city of St. John, for instance, some five of the largest industries are shut down entirely. The Maritime Nail Works has shut its doors; the St. John Foundry and Metal Company has shut its doors; the Fowler Axe and Machinery Company has shut its doors; the Peter's Tanneries have shut their doors; and three of the largest Mills in the province have not turned a wheel in the last two years. That is what the progressive policy of the present Administration has done for the city of St. John.

Now, the next town I am going to is on the American border, the town of St. Stephen on the St. Croix river. Up until last summer there was in that town a very flourishing little fertilizer plant. It is true that it employed only 70 men; but taking five to a family, on the average, it makes quite a little community in a small town. A change was made in the tariff last year, with the result that that factory is closed, the men have crossed the St. Croix river to the other side; and what is still worse and more serious is the fact that the same firm that was making the fertilizer in Canada and selling it in the province of New Brunswick is now making it on the American side and is selling it in New Brunswick at the same price as before per ton and per sack. The United States gets 70 of our

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good citizens, and the town of St. Stephen loses that many employees, all under the administration of the present Government.

Hon. Mr. BELCOURT: Will my honourable friend tell us why they moved across the river?

Hon. Mr. BLACK: Because of the change in the duties made by the Government the honourable gentleman supports. They make it in a larger factory-

Hon, Mr. BELCOURT: At a cheaper rate on the American side.

Hon. Mr. BLACK: Yes, a factory that has a market of some 60,000,000 to 80,000,000 people, and employs some 700 or 800 employees, and with better equipment, can naturally produce the article a little cheaper.

Hon. Mr. BELCOURT: How could you have avoided that?

Hon. Mr. BLACK: By leaving the tariff exactly as it was; and it would have been a little better if the tariff had been raised about 5 per cent.

Hon. Mr. BELCOURT: That does not follow.

Hon. Mr. BLACK: It follows just as day follows night and night follows day. Prosperity comes in Canada when the tariff goes up.

Hon. Mr. BELCOURT: Is it not a fact that these people moved across the boundary in order to get a much larger market than they otherwise could get, and to save the duty by manufacturing in American territory?

Hon. Mr. BLACK: No. The fact is that they were manufacturing for the New Brunswick market purely and simply.

Hon. Mr. BELCOURT: And they found that was not enough?

Hon. Mr. BLACK: They manufactured profitably in this country until the change was made in the duty; then they shut their doors; and now the same stuff comes into Canada from the United States.

If my honourable friend wants another illustration, I will give him one nearer home. This Government made changes in the tariff affecting agricultural implements. It is true that they saved the Massey-Harris and perhaps some of the larger similar industries; but what happened in the small towns along the Ontario border? There were about 400 smaller industries connected with the manufacture of agricultural implements that made small parts which were used by the MasseyHarris and the International Harvester and some other large manufacturing plants on this side. The little change which was made last year permitted the larger manufacturers of implements to go on; and that, so far as it went, was good. They were able to do that, and why? Because they got the raw materials in without any duty. What happened, though, to those men who were making the nuts and bolts and various other parts that go into the assembling of agricultural implements for the larger plants? Nearly all of them are working part time or are closed up. For the information of my honourable friend, and others who want to know, I expected to have to-day the figures as to the actual number of plants in Canada which for that and one or two other reasons have been closed, and the number that have been put out of business. I shall have the details in my hands within a day or two and shall be pleased to submit them then, but, in round numbers, 1,100 industries in Canada have had their output reduced by three-quarters in the last twelve months because of the changes made in the tariff by the present Government at the last Session of Parliament. I am having computed also the number of employees affected, and shall be glad to give, later on, not only the exact number of factories closed, and the exact number of factories that have been put on one-half or one-quarter time, but also the number of employees thrown out of employment by reason of the changes to which I have referred.

There is another interesting suggestion in the Speech from the Throne, and it relates to the matter of transportation. I am very much interested in transportation because, Canada having entered so largely into public ownership, transportation is one of the most vital problems with which this country has to contend. It will be a good thing, indeed, if this Government can devise some means whereby transportation charges or the cost of transportation in Canada can be reduced.

Perhaps I can give you a homely illustration of what I mean by that. The farming industry of this country is languishing, just like our other industries. Manufacturing will not languish without disastrous effect on farming, and transportation has had a very material bearing on both. The lumber industry of this country also is languishing. It is true that the average price of lumber for the last three years has been very much higher than it was for any three years previous to the war. We will say it is on the average \$4.50 to \$5 a thousand more. It may be wondered why the lumber operators could not make money. The fact of the matter is that

for the past three years, at least, the lumber operators of Nova Scotia and New Brunswick -and I think the same applies to the province of Quebec-have not made a cent. Those who operated on Crown Lands or Government leaseholds were in most cases unable to earn their stumpage. Those lumbermen who operated on private lands-and as to those I know whereof I speak, because I am one of them-have received in the last three years an average price which has enabled them to pay the cost of operation, of cutting their lumber off their own land, and have not had one cent for the standing trees. It is a fair statement that so far as the province of New Brunswick is concerned, the two or three hundred million feet of lumber that has gone out of that province in three years has been an absolute dead loss of raw material. I doubt that the proceeds from the sale of that lumber have paid the cost of getting it to the mills, the cost of milling it and of getting it loaded on the cars. I do not blame this Government for that; I am simply calling attention to the unfortunate condition that exists; but if this Government can do anything to lessen the cost of transportation it will very materially help to improve that situation.

For instance, it costs to-day approximately \$9 a thousand to transport lumber from a point in New Brunswick, say, to Toronto, and it costs about \$8 a thousand, on the average, to get it from the same point in New Brunswick to Boston. The McAdoo award shot the railway rates all to pieces. Prior to that it cost \$3.50 a thousand less in one instance and nearly \$4 a thousand less in another instance to get lumber to those respective points. Just that difference in transportation is an enormous profit. One-half of that difference is a fair profit to the lumbermen. By taking some steps to lower the cost of transportation of natural products, or of all products, this Government can confer a great benefit on Canada.

I have instanced lumber. Let me take another commodity, one in which the farmer is particularly interested. I come from a great hay-growing country. The export of hay from my section, which is a small one, amounts to about 15,000 tons a year. A few years ago the cost per ton to ship that hay to one of its natural markets, Sydney, was \$3.40. To-day it costs \$6.80, if I remember aright, to send it to the same place. The farmer to-day, in that particular section, is getting \$9 for his hay, loose. His labour costs a great deal more than formerly. Farming land down there is worth on the average about \$110 to \$125 an acre, and it costs on the

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average \$3 a ton to produce that hay. The result is that the farmer is getting nothing out of it. If you could give him the difference in cost of transportation between the old rate and the present rate on hay, he would have at least a reasonable margin of profit.

Hon. Mr. BELCOURT: Where is that difference to come from? Somebody must pay it.

Hon. Mr. BLACK: Well, instead of giving a subsidy to a group of steamships to carry our products across the Atlantic, for Heaven's sake let us have traffic in our own country carried at a reasonable rate.

The same remarks apply to potatoes. The farmers have been getting 32 to 40 cents a bushel this year, and if they had a reduction of from 5 to 7 cents per bushel in freight it would enable them to obtain a fair profit.

I give you these figures simply to show to a slight degree how a reduction or control of transportation costs might work out

My honourable friend across the way (Hon. Mr. Belcourt) asks how the Government is going to do this. I will tell you one thing: if they would only follow the suggestion I put forth last year they would save enough money on the Canadian National Railways alone. And, mind you, I consider that the Government are responsible for the Canadian National Railways. We own the system, and the Government that control the destinies of this country ought to control the destinies of the different branches of the country's organization. If they had done that they would have saved enough to make a reduction in freight rates throughout.

Hon. Mr. BELCOURT: What was that?

Hon. Mr. BLACK: I have only twelve minutes more to speak. If the honourable gentleman will turn to pages 218, 219, 220 and 221 of last year's Debates of the Senate, he will find it.

There are also means whereby the present Government might do a little less in the way of advertising individuals and might give a little more attention to transportation. I do no wish to belittle Sir Henry Thornton, because I believe he is a good railway man. I do think, though, that just as the head of any business keeps control of those who are in his employ and does not let them run away with freak ideas, so should the Government of this country keep itself a little more closely in touch with the railway management and see that it is not carried away with such ideas. What in the world do the people of Canada want to pay for radio broadcasting by the National Railways? Yet, I understand,

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we have now in Canada six radio stations operated by the Canadian National and costing approximately \$500,000. I say approximately; some of them cost \$90.000, some \$70,000-there are different amounts, but the investment amounts approximately to \$500,000; and the annual expenditure for upkeep of those radio stations is about \$200,000, and at 5 per cent the interest on the investment is \$25,000 a year. There you have \$225,000 a year loaded on the people of Canada in their taxes-why? It must be in order to advertise the President or some of the employees of the Canadian National Railways. It does not cheapen your railway rates. have been on trains where the radio was in operation, and I could not sit down quietly and read or talk. I would have preferred not to have it, and I venture to say that 50 or 75 per cent of the travelling public do not want to have this thing yowling in their ears, but want to read, or smoke, or chat with their friends or do business. What is the purpose of it? It is to enable certain persons to broadcast their views. It is the greatest advertising scheme I ever head of, and it is not worth one cent to the people of Canada. It was never authorized by the taxpayers of this country and they would be very much better satisfied, honourable gentlemen, if that \$225,000 a year had been taken off the cost of transportation on even one article, rather than spent on the transportation of wind across the Continent of North America.

But that is not all. If you go out to the city of Winnipeg you will see a big electric sign that cost the taxpayers of this country \$2,000 to put there, and when it was erected it advertised something that did not happen, or happened for only a few days. We thought, in our wisdom, that it would be a good thing to have a very fast train between Winnipeg and Toronto. Some of us thought we ought to put the C.P.R. out of business by running a faster train than they could run; so we had a train from Winnipeg to Toronto which was a few hours quicker than the C.P.R. train, and we put up this magnificent electric sign at a cost of \$2,000, which came out of our After a few days the Canadian pockets. National found that they could not very well run that train, and they cancelled it-took it off; but the sign is still there. It cost us \$2,000 to put the sign up, and how much money did it cost the people of Canada to run that freak train for three or four days, to change the time table and have new schedules printed and do all those other things that go with a change in the time of a through train? Everybody knows it is ex-

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pensive. That experiment has cost the people of this country a good many thousand dollars.

Hon. Mr. BELCOURT: The C.P.R. did the same thing, did it not?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BLACK: Not until they were forced into it by the Canadian National system.

Hon. Mr. BELCOURT: There you are. It is competition.

Hon. Mr. BLACK: Then the wiser heads got together and decided that it was foolish. Let me ask the honourable gentleman, does he justify competition to kill, between the railroads of our country? Does he justify that?

Hon. Mr. BELCOURT: No; I am not trying to justify that.

Hon. Mr. BLACK: That is what I would like to know. Where will you find anyone who would justify such competition? I have not one cent of interest in the C.P.R., but I want to tell you, honourable gentlemen, it is criminal to have our Canadian National Railways go into direct competition to kill the Canadian Pacific Railway. We have these two roads, here. Let us keep them. Canadian money is invested in both. The people of this Dominion have more money in the C.P.R. than have the C.P.R. directors themselves, because we gave them land and we gave them subsidies, and the money all comes from our pockets. And we, after all, are potential owners of these two roads and it is to the interests of the residents of Canada to see that both prosper. Naturally it is in the interests of the people of this country to see that the Canadian National Railways get as fair a share and as fair a show as the Canadian Pacific Railway, but it is against the best interests of Canada to build lines that will take away business from the C.P.R., simply for the sake of taking it away, as was proposed in New Brunswick last year. It is likewise against the interests of the people of this country to have a freak train operated from Ottawa to Montreal, or from Winnipeg to Toronto, or anywhere else, simply for the purpose of taking away business from the other road, which, after all, is a Canadian road. That is not good business policy. You would never see two business houses do it. My friend here and I may be engaged in the same business; we will do our utmost to build up our business to the point at which it will pay the most, but if we have common sense and do not want to go into bankruptcy we will not begin to cut rates

in order to take away business from each other. That is not common sense, but that is the sort of thing that, I am afraid, the Canadian Government Railway Management is doing in some instances, and that is why I say that a very strong guard should be put upon the Management by the Government of the day, whoever or whatever they may be.

There is another thing that I am told, and there is evidence of its correctness, namely, that the present Management proposes to expend in the city of Montreal about \$50,000,000. It is a fact that the present Management have bought, or are at present engaging for, blocks of land in the city of Montreal, and look forward to engaging for still more. It is true that Bonaventure Station, in the city of Montreal, is not a good station; that it is not as fine as the station owned by the C.P.R. It is also true that, just as soon as the finances of the country will warrant it, the Government or the Canadian National Railways may be justified in making a reasonable expenditure in the city of Montreal, but I for one say that this Government or the Railway Board are not justified in buying in that city today lands that are not necessary for immediate use, or in proposing the erection of an enormous building that will outshine that of the C.P.R. in Montreal, when the building which we have will serve the needs of the present traffic. Capital expenditure for show, or capital expenditure for better station accommodation, in unjustifiable unless it will bring direct financial returns, or unless the Company or the Government have more money in their coffers than is needed for ordinary purposes—unless they have so large a revenue that they can afford to build ornaments such as those to which I referred.

The spirit which prompts the proposed expenditure of \$50,000,000 or thereabouts in Montreal was the same spirit that brought about the purchase of a corner on King Street. in Toronto, opposite the C.P.R. ticket office. In the city of Toronto we have a magnificent terminal which is not used, because of some disagreement between the Government and the city of Toronto, with which I am not conversant; but only a few steps away from the new terminal they spent an enormous amount of money to buy a corner upon which it is intended to erect a new building-why? Not because it was needed any more than a fifth wheel to a coach. Not a bit. I do not need to tell honourable gentlemen who know a little about Toronto that the ticket office on that particular corner was desired for any other reason than competitive purposes. That is not what the Canadian National is for; not at the present time. The people of this country are not in the humour to enter into private fights between the presidents of various railroads, or of railway governing bodies. They want economy, and until they get economy they will not be satisfied. This Government will not remain in control, when they go to the people, if it is their idea that such expenditures are what the people of this country want; nor would any other Government remain in power that thought and acted along similar lines.

There are just three things that I would suggest to the honourable leader of the Government to put above his door so that he may see them every time he enters. When I say the leader of the Government I not only mean the honourable leader of this Chamber, but the leader of the Government in another place; and I think it would be well for us all to do the same. The three things that are most important in Canada to-day are these: first protection; second, transportation; and third conservation. In those three are contained the whole future destiny of this Dominion of Canada. In every case where the tariff in this country has been lowered-and it has been lowered by both Governments-we have seen disaster follow. If free trade were not merely a theory, but a practice the world over, I would be a freetrader. There is not a free trade nation in the world to-day. Great Britain is much more protectionist to-day than is Canada. The United States, our neighbour to the south, have the highest wall of protection ever recorded in the history of mankind, so far as written history is available; and it is childish to suppose that we, living alongside of them, can develop our industries without protecting ourselves against their very much greater production and very much greater manufacturing obility.

In so far as transportation is concerned, I have said enough, I think, and other honourable gentlemen who know more about it have said more. We are perfectly content to see lower ocean rates, but before we spend the money of this country to get lower ocean rates let us in some way try to adjust the rates in this country so that the spirit of Confederation may be carried out-so that the Maritime Provinces may get that to which they are entitled, and which belongs to them under the pact of Confederation; so that the West and the East may be brought together; so that those particular sections that are heavily discriminated against by transportation charges may have their handicap at least ameliorated. That can be done, honourable gentlemen. If the transportation officials and

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the Government meet together at a round table conference, I am satisfied they can evolve methods whereby that can be done.

It has been said that there is a spirit of revolt in the Maritime Provinces. That is not true. The people of the Maritime Provinces are just as loyal to this Dominion as is any other part of Canada. There is a time, you know, when a sore foot becomes so sore that you cannot wear a boot. That time is rapidly approaching in the Maritime Provinces, and it is the duty of this Government to see that that sore is healed before the boot has to come off. If the Government, instead of giving us platitudes, would give us something definite in the way of economy, give us something definite in the way of lower transportation charges, and, more essential still, give us some protection for our industries, the country would return to normal and there would be no Maritime question, there would be no Middle West question, and no extreme West question, but we would all be once more a united country.

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

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

THE SENATE

Friday, February 13, 1925.

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

Prayers and routine proceedings.

RESIGNATION OF MR. JUSTICE RUSSELL

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Did Mr. Justice Russell of the Supreme Court of Nova Scotia resign?

2. On what date did he resign?

3. Is any person appointed to fill the vacancy?

4. Who is appointed?

Hon. Mr. DANDURAND:

1. Yes.

2. The resignation was accepted by Order in Council dated October 1, 1924, to take effect on the 5th October, 1924.

3. No.

4. Answered by No. 3.

THE GOVERNOR GENERAL'S SPEECH ADDRESS IN REPLY

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

Hon. RUFUS H. POPE. Honourable gentlemen, I observe that the mover and the seconder of this resolution are not present; but I desire to pay my tribute to them for the ability with which they have dealt with the very meagre programme that has been presented in the Speech from the Throne.

We have become familiar with the fact that the Speech from the Throne conveys very little regarding the true condition of the country, or the proposals that the Government from time to time may see fit to lay before Parliament for consideration. I would not say that this was the first instance in which the programme has not been very extensive or very comprehensive. There are, however, contained in the Speech from the Throne certain matters that can be made of very great importance, and that, if not judiciously carried out, may possibly be very dangerous to the welfare of Canada.

On two or three previous occasions since this Government came into power I have taken the opportunity to urge upon them to adopt some definite policy, fiscal and otherwise, with reference to Canada. I assume that I was looked upon as a partisan. It was supposed that because the people with whom I used to sympathize politically were not in power I was desirous of criticizing, rather than seeing the Government bring forward a programme or policy that would mean advancement and prosperity for this country. I wish to say, honourable gentlemen, that that never was my attitude towards any Government in power, whether I was a supporter of it or not. I have been as free a critic of the party to which I belonged as to the one to which I was opposed. And tc-day, in view of Canada's position, we must bear in mind the necessity of doing something of a constructive nature in order that this country may progress rather than go backward; and I think it is high time that honourable members of this House, irrespective of their party affiliations, should say, with all the power they possess, that the Government have neglected to play the game nationally and have been rather playing a game that is purely political. There is nothing more disastrous to the country than that, after an election has taken place and a particular party has been put in power, it should continue to play the Hon. Mr. DANDURAND.

hustings game within the Cabinet councils of Canada rather than the bold national game. It rests entirely on the Cabinet and nowhere else to assume the responsibility of putting forward legislation that will redound to the benefit of this country. Yet that Cabinet, I say again, has become a committee of politicians, and studies matters only from the point of view of the question, what will happen to them or theirs if they enact certain legislation for the benefit of this country, if such legislation happens to be unpopular with some section on which they depend for their majority. That is a great misfortune for Canada, and it always will be a great misfortune when such gentlemen as they occupy the Treasury benches, no matter what their name may be, whether Conservative or Liberal; and I have no hesitation in saying that that is the position to-day.

Since coming up here about ten days ago I have had opportunities to observe. Having been for many years loafing around the foot of the Throne, as I call it, it is not very difficult for me, on putting my ear to the ground, to ascertain what is going on, even inside the secret Council chamber; and my information, which is to me satisfactory, warrants me in saying that the Cabinet we have to-day is lending itself entirely to political exigencies rather than to the requirements of the Dominion of Canada. It is only necessary to glance through the programme which His Excellency was persuaded to deliver to us in order to ascertain that fact. The Prime Minister, when he was visiting the West, took occasion to declare in the most emphatic manner possible, and as I understand from the newspapers, amid tremendous applause, that this honourable body was to be dispensed with, or, so altered that its usefulness would be gone. Of course, since he has returned to the Cabinet council, in which various parts of this Canada of ours have representatives, he has modified and remodified his plan until he is almost silent upon

The honourable member from Montarville (Hon. Mr. Beaubien) referred yesterday to the Province of Quebec, and I assume that he spoke for the French Canadian element. Permit me to say to that honourable member and to this honourable House that he spoke for the entire province of Quebec, because the Protestants or English-speaking minority of that Province stand shoulder to shoulder with the majority in Quebec in declaring that there shall be no alteration made in the Constitution of this Senate by any Government of Canada, that will deprive us of the right of appealing to this honourable body for protection from any infringement of the rights of minorities, whether French Canadian or English-speaking. More than that, let me tell my honourable friend who sits opposite (Hon. Mr. Dandurand), and the Cabinet to which he belongs, that they dare not do it, notwithstanding all the boasts made by the Prime Minister in the West. He knew that he had not much to say to those people to arouse enthusiasm, and knew he was appealing to people who were to a large extent comparative strangers in Canada, newcomers who knew little of the circumstances under which Confederation was brought about or of the reasons why the Fathers of Confederation, whether representing the majority or the minority in the Canada of that day, conceived—and, I say, rightly so—the idea of providing a second chamber aloof from the excitement which might influence public opinion under certain circumstances. The wisdom of creating a second chamber was discussed from province to province and was thoroughly understood, and nowhere was it more insisted upon than in the Province of Quebec. Furthermore, honourable gentlemen, if Quebec had not been given the guarantee that this honourable body gives it-if the people whom I represent in the province of Quebec had not been given such a guarantee, there would have been no Confederation in 1867.

I stated in the city of Montreal the other day, and I think I was right, that this honourable body was so superior to the intellect of the Right Honourable the Prime Minister of Canada that even though he felt disposed to reform the Senate, he would not know where to begin. I have no reason to alter that remark. I observe that, with regard to my speech at that meeting of ladies in Notre Dame de Grace, Hon. Mr. Cardin, Minister of Marine and Fisheries, has stated that I raised the question of annexation. Never! I never spoke of annexation upon that occasion. The only annexation that I know of in the Province of Quebec is the fact that a large number of French Canadians and English-speaking people have been forced to go over to the New England States and are threatening the annexation of those States by Canadian citizens. That is the only annexation that is going on in our part of the world, and we are not very proud of it either; and I think this Government ought to consider legislation, fiscal or otherwise, that would stem that tide of migration.

The other day the honourable leader of this House presented some figures. I am not going to deal with them particularly, because figures have been cited over and over again by hon-

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ourable members, and there are sufficient statistics on Hansard for anybody who desires to read them. But, while I do not desire to discuss figures, permit me to say this. We are told that 186,000 or 208,000 or some other number of persons went from Canada to the United States last year. The number men-tioned referred to people who paid \$8 a head and who are reported on the books of the United States; but that does not represent all the people who went from Canada to the United States. The 200,000 who recorded themselves are not more than 50 per cent of the total number who crossed. I venture to say that 400,000 people went to the United States the year before last. The honourable gentleman says that fewer have gone in the past year. I hope to goodness the honourable gentleman does not expect that after we have sent away half a million people in one year we can continue to send away that number in the following year, and that he does not think there is no evidence of their policy having gone wrong just because we did not send as many the second year as previously. When he speaks of people coming and going between the two countries, he refers to what is a natural condition. People will go from Canada to the United States, and people will come from the United States to Canada. But what we have to do is to inaugurate such a policy that the majority will be coming from the United States to Canada, and not going from Canada to the United States, and until the Government can adopt such a policy the figures quoted to us by the honourable gen-tleman are of no avail. They in no way represent the financial condition of this country. They mean only that we do not send half a million people to the United States every year.

The honourable gentleman has spoken about protection and has quoted certain figures. Let us consider what has been the effect of the Government's policy for some time back on the question of agriculture. There has been formed in the West what is known as the Progressive Party, who are the masters of this Government. Rev. Mr. Hoey, whose speech I have, tells them when and where they get off, and says that the people of Eastern Canada who support this Government deserve no credit for whatever they may have obtained; that the Government had to give it or go out of business. This, again, bears out my contention that the present Cabinet is a political caucus and not a Cabinet of statesmen dealing with the real requirements of Canada. The combination formed out in the West have demanded a policy for themselves.

In the first place, let it be distinctly understood that for every farmer in the West there are two in Eastern Canada. The interest and welfare of the farmers of Eastern Canada are entitled, not to more, but to just as much consideration as those of the farmers of Western Canada. Whenever any Government of this country makes an expenditure, no matter what Government or whether the expenditure is warranted or not, the money must come from the taxes of the farmers as well as others. You cannot build a bridge in the city of Montreal, as you propose doing, without the farmers contributing towards the expenditure, whether it is made through the Administration or under the auspices of the Harbour Commission. The wheat of the West or the products of the East, or both, will have to contribute towards the construction of that bridge. The same is true of everything constructed by the Government. When the earliest settlers, as my people were, came into the Eastern Townships, when my grandfather went there as an United Empire Loyalist from the United States, there was one log cabin where the city of Sherbrooke now stands. Whoever came there at that time came under very primitive conditions. They took their axes and went to work and made a log cabin which was warm and comfortable, and made good barns, and took their families and began to grow stuff to feed them; they began to grow wool and flax to clothe them. They were self-centered and self-supplied men. They had no taxes to pay. There were no taxes. The land was given to them to encourage them to leave the United States, as patriots who came up to Canada to livegiven away as we have given away nearly all we have to give away in the West, to encourage people to come there. Those were the conditions under which those people The soil was fertile because nature came had made it so. When a man cleared off the woods all the fertility that God put there was at his disposal. Crops grew. No taxes were imposed until by and by a road had to be Then the settler was summoned to built. help build it. I was very nearly fifty years of age before I paid my road tax in cash. It was paid in labour. Our schools, too, were primitive and very inexpensive. But we had to progress and go forward, it was said, and the railroad came. The bridge was built across the river; the roads were improved; valuations of the farms went up; and from the soil, which was exhausted to some extent, hay and products that should have been fed on the farm were carried away by the railroads and steamboats by what is called improved civilization.

By and by the old man left the farm. He either sold the property or arranged for his son to carry on and maintain him and the rest of the family. That meant taxation. The farm was no longer a free farm. It may have been sold for \$3,000 or \$4,000. Interest upon that money had to be earned. There were taxes on schools and roads that had to be paid by the family. By and by-this story has been told to me so often that I hate to repeat it-it was said: "Why, this young man is not getting along as well as the old man did." True, because the soil had been depleted by the old man, who had proceeded along the original theory, as is now being done in the West. You have in the West some choice spots, like that around Portage la Prairie, for instance, where there is a deposit of soil that is the most wonderful I have ever seen. Take the valleys of the St. Lawrence and the Richelieu rivers. We had the same thing. It was wonderful. There was a wonderful deposit such as we did not have on the highlands on which I lived. Therefore our soil was exhausted more rapidly. The tax still grew: a mortgage was put on: and the young man could pay neither the taxes nor the interests on the mortgage, with the result that the farm was vacated.

Now, what had this man to encourage him during all this time? In 1889-90 the Government of the day, which was then led by Sir John A. Macdonald, for whom my right honourable friend (Right Hon. Sir George E. Foster) was the Finance Minister, after discussing the question thoroughly with those who they thought knew something of the position, approached the question on a broad basis. They did not sit as a political caucus, and when we asked for an increase of protection on agricultural products we were given three or four cents a pound on meats. That duty has remained the same; it has never been increased. If anything, it has been reduced since it was put into effect in 1889, because in those days you could buy all the steak you wanted for 10 to 12 cents a pound. That gave us encouragement; it gave us heart, and for the first time in my life I saw barrels of Canadian pork instead of pork from Chicago sent into our lumbering camps. My right honourable friend, realizing the position the farmer was in, did us a great service in 1889, and we know what came of it. But the unrestricted reciprocity fight followed. and in those constituencies bordering on the states of Maine and Vermont, out of 13 seats we carried 11, and but for the mistake should have carried 12.

Let me say here, honourable gentlemen, that you cannot progress individually if you have the blues from morning until night, and a nation cannot improve and progress as it should if it has the blues from one month's end to another. You must give us encouragement. Whether it spells as much as we imagine it will, it at least gives us courage to go forward.

Again let me refer to these same Townships. for I am speaking for them to-day. I trust you will excuse me if my remarks are not nation-wide. In that same part of the country has come the exhaustion of the soil, and to-day we are forced up against competition with the United States, a foreign country which, has a surplus of products, whether garden truck or butter or eggs or anything else, which it has to get rid of. Those products come earlier into the market than ours, and stifle our trade. I will give you an illustration of that. In the Eastern Townships we have had the coldest November, December and January that we have had in the last 25 years, and I think some other parts of Canada also have experienced a temperature below zero. If a man who had 100 hens got 15 or 20 eggs a day during those months, particularly December and January, it was because he gave the hens very special attention. He had to feed the 100 hens. But the South warms more quickly, and about the time the man I have spoken of should begin to realize something for his eggs, along come eggs from the Bouth, from China and from other countries, and prices in the markets of Montreal and Toronto and other large centers drop. Last week eggs went down to about 50 cents a dozen. You know what that means in the country. Eggs have to be shipped and sold, and re-sold before they get to the consumer. I venture to say that if that condition continues it will kill the industry. On the other hand, if you want to ship eggs to the United States you have to pay a duty of 8 cents a dozen on all you ship. The people of that country take care of themselves. My honourable friend the other day said that our condition resulted from not having reciprocity. I am glad he is alive, and I know he is alive, but to me his voice sounded like a voice from the grave when I remembered how reciprocity was buried in 1911 and in the recent Presidential election, and recalled the speech of the President of the United States made at the International Cattle Fair at Chicago, in which he said: "Are we going to see our agricultural products competed with by foreign grown products? No, we will protect our farmers against foreign competition." I believe that in a certain part of the world they are digging to get someone out of a cave; if they Hon. Mr. POPE.

ever start to dig to get out those who went in for reciprocity they will have to go a good deal deeper than in the other case. No, reciprocity is no use: give us something practical.

So, to return to the question of the fertility of the soil. This is a question which I have studied, and I say without hesitation that if you will undertake to put back in the lands of Eastern Canada the phosphates and the lime that have been extracted from them for a century or more, it will cost a great deal more money than the building of our railroads has cost us from the early days of the Canadian Pacific Railway down to the present time. What are we to do? What are you going to do for us? Are you going to give Are we to be left as the slaves us no hope? of Rome were, without opportunity? You -know the story of Rome. When the autocrats and the warriors took possession of Rome, they discovered that they could bring in grain from their possessions in Italy and other parts of the world, to feed their armies. They did that, and they destroyed the Roman Empire.

Great writers of the world to-day are saying that there is no future for our civilization, and they are producing wonderful arguments and the highest authorities to substantiate these statements. I want to disagree with those authorities; but if it is true that there is no future for us, then we have the right Government in power at the present moment. If there is a possibility of giving some hope to our farming community, do it by giving them the markets to which they are entitled. I refuse absolutely to believe that any foreign nation in the world has the right to feed and clothe Canadian citizens. That is the fundamental principle of prosperity; that is the thing that energized the great National Policy which was formulated in 1878, a policy which produced the wonderful opportunities of that time when our only foreign competitor was the United States.

Let me say once more that when we are giving special privileges, whether to England or anyone else, we should get special privileges in return. We have the responsibility of upbuilding the Empire within Canada and no further. That we love this Empire, and cherish it, and look upon it as the most wonderful creation of man in the civilized world was proved from 1914 to 1918, at great cost to ourselves in both men and money. We do not need to repeat that: it is known throughout England. In that respect I do not know about the signatures the honourable gentleman gave the other day to that Protocol.

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Hon. Mr. DANDURAND. I gave no signature.

Hon. Mr. POPE: You did not sign anything? Did you bring it home with you? You are a true representative of the present Government: you did not do anything. I congratulate you upon standing on all fours with the rest of the Government.

Hon. Mr. DANDURAND: With the permission of my honourable friend, I may explain that all that the members of the League of Nations did was to recommend that document, which represented the best efforts of men of high standing, to the serious consideration of their various Governments.

Hon. Mr. POPE: And you are in duty bound to recommend it seriously to your Government? Well, I don't know: I am sorry.

Hon. Mr. DANDURAND: And I may say that it has received the endorsement of such a prominent Canadian as the Right Honourable Sir Robert Borden.

Hon. Mr. POPE: I was talking about your Government. There is a good deal of difference between Sir Robert Borden and your Government-the difference between daylight and dark. You do not like me calling it a political caucus, so I will call it a Cabinet of tourists-you have been touring all over the world. Mind you, I do not object to that, because I think that if ever there was a Cabinet that needed broadening out you have it, and I think it is just as well that you should be away from home as at home, because then you cannot do any damage at home. Do not think that I am speaking in this way because I have a jealous disposition. I am not. I hope that we will see some results in breadth of view following these wonderful trips abroad.

I sympathize with the farmers of the West, for I have grown wheat and raised cattle and hogs in the West. But they are narrow in their vision. I appreciate their position, but I may tell them that they are not going to gain anything by rapping on the door that has been closed in their faces by the United States. They are not going to gain anything by shipping our wheat into the United States to be ground up with their wheat so that the American millers may compete with us in the markets of the world. It is said that there is a man looking after that. That is what is being done no matter who says they are not. My opinion of any competitor in that respect is not a very high

one. I would not run the risk of having any man tamper with my produce, knowing that he was going to compete with me. It was established 25 or 30 years ago that Manitoba could produce wonderful wheat, from which more bread and better bread could be obtained than from any other. We found at that time that we had a cinch on the wheat market of the world. We need not fear Russia: she will not be back for years in the wheat market of the world, and there is not the slightest possibility of her again becoming our competitor for years to come. Except for a fringe along the United States, we are the northern wheat-producing country, and the farmers in the West have grown wheat to the limit of 89 bushels to the acre. We have the greatest wheat fields of the world, so far as wheat available for transportation is concerned. Personally I would like to see the Government give serious consideration to the question of placing an embargo on wheat going out of this country, and I would like to see within Canada enough mills to grind it up and export the flour, leaving the by-

products for the benefit of our own people. There were times when we in Eastern Canada paid \$7, \$8, \$9, \$10, \$12, \$16, \$17, \$18 and \$20 a ton for bran. To-day we are over the \$30 mark. It is similar with oats and all cheap grain that is used for the feeding of stock and in the production of butter. At the existing prices for such feeds it is impossible to produce butter at a price which will compete with the products of southern countries like Australia and New Zealand, whose butter is imported into the city of Montreal and sold in the winter time for 25, 28 or 30 cents a pound.

I want to say to this honourable body, and I speak from experience, that no farmer in the East can live under these conditions and pay 100 cents on the dollar. Go to the market and you will see what happens. The cold storage man puts in a certain quantity of butter. He does not need to store shiploads of it in order to control the situation. You come in from the Eastern Townships and you walk up to him and say: "Mr. Armstrong." or whatever his name is-"I have some butter to sell: will you buy it?" He offers to pay me 28 cents a pound. I cannot accept 28 cents, and ask him, "Can you not do better than that?" "No," he says, "that is the highest price I will pay. I know you always produce good butter, and I will pay you 28 cents." When bran costs over \$30 a ton and meal from \$40 to \$50 a ton, butter cannot be produced profitably at 28 cents a pound. It absolutely cannot be done. There is no-

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thing left for the farmer but to get out and perhaps go into some slave position. He has no prospect. If he comes back to the buyer the next week, he may find that butter has gone down another cent or two and he has to sell then because he must sell some time. There is a bank back home that is after him every fifteen minutes or so to pay something or other on a note. He has no facilities for banking, you understand. There are none, nor is any mention made of the subject in the Speech from the Throne. So, as I say, the farmer has to sell his butter at the price offered. It is not because Australian butter is the bulk of the supply, but there is enough of it there to supply the market if that man does not take 28, 26, or 25 cents a pound. He has no protection worth anything.

Now, if the farmers of the West had a national outlook, why did they not come forward and ask us about our position? We would very willingly and very quickly have told them. But no, they looked upon us as people who were building up manufacturing. We do encourage to a certain extent the development of industry because it improves the home market, and the home market is the best market in the world, I care not what the other markets may be. Export is allright for any surplus you have to dispose of, and for that surplus you have to take whatever price the outside world chooses to give you: but the best market is the home market, and the nearer it is to the farmer the better, and the higher in value is his land, because it is close to the market that takes the product.

It is the people in the East who laid the foundation for the West. Eastern Canada assumed tremendous obligations in the opening up and development of that Western country. I believed then, and I believe now, that we were justified in what we did: but at the same time I think that we farmers in the East, who are just as numerous as those in the West, are entitled to the co-operation of that ring of gentlemen who are dictating a lower tariff policy to the Government of the day. I think it is unfair for them to take the position that they have taken, that they alone should say what ought to be the tariff for agricultural products. What they have got out of their proposition has amounted to very little. Whether they get a binder for \$1 or for \$50 less is of no great consequence. They have now, and they will have for years. a good market for their wheat. I do not say that it will always be at \$2, but their prospects in the wheat market are good if they do not over produce. If they do, then it will be their own fault and nobody else's. Hon. Mr. POPE.

There is no country in the world that can compete with them in the quality of wheat, and if they will only produce the quality that that part of the country grows, and will not overdo the thing, they ought to be able to turn a good profit. There is no reason why they should overdo their production. They should not support for one minute a Government that does not lay before them, in the month of March-next month-the exact world situation in the wheat market. We are the only people who sow wheat in our spring and reap it in our autumn. All the wheat of Australia and South America is now maturing, and in thirty days' time every farmer in the Dominion of Canada should be able to know exactly what proportion of the world supply will be required from Canada, and should govern himself accordingly. He ought to have information that will enable him to judge in what products there will be a shortage. But no; instead of having a Government that takes such interest in us we have a political caucus going on from day to day.

Let us consider now the question of financing the farmer. I want to deal with that for a few moments. It is impossible for a farmer in my part of the country to carry on business successfully under the present system. I am told that in some other parts of Canada things are better; that in some other parts a better line of credit is given to those engaged in agriculture. I am glad of it, but that is not the situation with us. Eightv per cent of the money deposited in the village banks is transferred to a great centre like Montreal or Toronto. There was a time when we could go to our neighbours and borrow money from them. If you went to a neighbour he would ask you, "For how long do you want it?" If you said, "I want it for one year," he would say, "Well, you shall have But the bankers do not say that. it." If you are able to get some person to endorse your note, they may conclude to let you have the money, but they will ask you, "How about sixty days, or ninety days?" You say, "Really, I cannot get rid of my stock in that time; I cannot put it on the market." "But." you are told, "these are the instructions of the Head Office." What does the Head Office know? Do you think a head office in the city of Montreal, or in Toronto, knows the conditions under which we are labouring? Do you think that those men who are involved in high finance care what those conditions are? I do not say that I am at all qualified to dictate to this country, or this Parliament, what the financial system should be. Personally I think it should be

in some way associated with the banks or trust companies who are accustomed to lending money.

People in the township of Sutton, Quebec, have had to go to institutions in the United States for accommodation. It is only a short distance away. They had to borrow from trust companies down there—some on mortgage, and some not—over \$200,000 in that township in the last year, in order to keep themselves alive. That sort of thing might mean annexation if they kept at it long enough. It was not that they were disloyal to Canada, but they could not get the money from their own people. I mention that only as one example of what is going on.

Last year, when the banking system of Canada was under discussion. I made similar remarks. I do not say that my word, or the word of any honourable member of this House, should be law, but if the Government cannot in any way refute that contention, they ought to give it some consideration, no matter how insignificant may be the person who gives utterance to it. I thought then that it was quite sufficient to extend the bank charters for one year, and that the bankers of Canada should consult with the farmers of this country and see how nearly they could agree in formulating another plan, or some additional plan of banking, to meet the requirements of agriculture. The farmer requires long-term credit, as well as short-term. We ought to copy the banking systems of the old-world countries of Norway, Denmark and Germany, or, for that matter, the system that existed in Russia when it was Russia. Old-world methods have been copied to some extent by the United States of America in their new loan system for the farmers there. They have invented nothing new, but have had sense enough to go over to Europe, as our people might have done, and picked out what has been successful there, in order to apply it to the United States of America; and this helped by millions and hundreds of millions of dollars the position of the farmer in the Western United States. In the same way we could improve the condition of both Western and Eastern farmers in Canada. Mark you, the value of land is not governed altogether by the articles that the land produces. Population governs it to some extent. Do you think that if the United States of America had only 25,000,000 people to-day instead of 110 or 120 million, farm land in the central and western portions of that country would be as valuable as it is? Nonsense. Therefore the more people we can keep in Canada, with fair prospects of

livelihood, the more will the land owned by the farmer increase in value.

A gentleman who was in this city yesterday, and who is in my opinion of very high character, and is associated with finance in England, asked how I would recommend men in London to invest their money. I said, "Are you excluding mines?" He said, "Oh, yes; I do not mean mines, or speculation of any kind; I mean industrials." Let me ask any honourable member of this House, what could I have recommended to him? The Minister of the Interior declared, only the day before yesterday, in another place, that he had not given up hope of lowering the tariff to a free trade level-or words to that effect. Not at all; he was still ringing the death-knell of protection in Canada. What could I tell my friend? I asked him if he would submit something to me for consideration. He said: "What about pulp and paper mills, and so on?" I said: "My dear friend, as a Canadian I would like to see hundreds of millions of British money come into Canada to develop this country. We need money." What has happened to those mills? During the great war there was a wonderful demand, and stock was watered and re-watered by the millions in order to avoid payments to the Government. Bonds were issued for more than the assets. I said: "The only asset lying behind those mills is the forests which they own, which are tributary to them." Mark you, not the forests away off in the North, bought for the sake of the name "territory," but the timber tributary to those mills. I said to my friend: "Inspect that timber before you lend a dollar, and if there is timber enough there to run that mill successfully during the lifetime of your obligation, then sit down and see what vou can do; but if there is not timber enough behind that mill to run it successfully under the conditions, have nothing to do with it." Why, honourable gentlemen? Because we are supplying the United States with over half of their newsprint to-day. We are competing with ourselves. We have knocked it down from \$85 and \$75 to \$65 a ton. Our factories are increasing because they have this watered stock and this rotten financing that they have imposed upon themselves, and the result will be a collapse. There are to-day enough mills for our forests.

Now, honourable gentlemen, if there had been a scrutinizing and protecting organization in the Government of Canada, looking after the forests; if we had had a proper organization for the establishment of joint-stock companies; and if the public had been pro-

tected in that respect and the issuance of stocks and bonds kept within reasonable bounds, I would not have been unable to recommend such bonds to that gentleman. I told him that the best investment for his money that I know of was to put it into vacant farms in Eastern Canada, partly covered with forests, because, as I said to this gentleman. there is going to be a big revival in this country. We are going to have a new government and a new system of protection, and under that system of protection, first of all our population will remain at home, and then we shall import people from abroad. Why should we bring in immigrants when we cannot keep our own people in this country?

Think of the present situation. A family of eight or ten young persons are educated at home at an expense of a couple of thousand dollars each; or put the figure at \$1,000, or \$500, if you please. We see the brightest intellects among our manhood and womanhood lost to this country, because the young people have gone to the United States. They do not want any idiots down there; they can provide enough of those themselves. It is our brightest and best that they want. Though our loss in this respect is not such a cruel one. yet, so far as the development of Canada is concerned, it makes no difference whether our young people have been buried in France or buried in the industrial life of the United States, instead of being at home.

The exodus is going on and on ard on. Now, shall we go backwards, or shall we advance? I have arrived almost at the conclusion. Shall we go backwards or shall we go forward? Mark, you, honourable gentlemen, we cannot stand still. Nobody ever did, and nothing ever does. If you do not advance, somebody else will, and though you may think you have stood still, yet, by comparaison, your position is inferior to what it was. If we are to go forward, I say very frankly, we must have the Canadian market for the Canadian producer; we must have the Canadian people fed and clothed with Canadian products. and all the great industries of the country livened up and in a very flourishing condition in order that we may sell our agricultural products. I am not bidding for a monopoly; there is no necessity of a monopoly. We can have a Tariff Commission which will investigate world conditions and report the facts of the financial and industrial situation, and we can then proceed to establish industries in this country, perhaps on a little different basis to that which existed in 1878. By having proper information laid before the Cabinet Hon. Mr. POPE.

of the day, if it is anything but a political caucus and can deal with the subject intelligently, something ought to be accomplished. We could have a Board of Representatives to whom appeals could be made in regard to anybody who was trying to violate the rights of the people of Canada. There is no difficulty in that, or in offering every security to the people of this country.

At the next general election, which is not far off if the Government can muster up courage enough—I think about October we will be called to the polls—I think every honourable gentleman in this House will feel as I do, because we have been challenged. I feel that my opportunity in the political field of Canada has been renewed.

It is said we are not to be trusted because we are nominated for life. Are we the only ones who are nominated for life? What about the judges of the Dominion of Canada? Are they not to be trusted because they are nominated for life, or because they previously belonged to political parties or were members of Parliament or of the Cabinet? It would be just as sensible to say that the judges should be elected as to say that the members of the Senate should be elected.

If we would go forward in Canada we must have a sound protective policy, an equalizing of conditions. We must make a survey of the entire world from which our competition comes-a survey of financial, labour and industrial conditions-and we must bring down a policy based on an equalization of conditions. We have an abundance of raw materials in this country. We must employ our own people to finish them in this country, and this will enable them to buy the products of the farms of this country, and then we will have throughout the length and breadth of Canada a prosperity to which the people are entitled after having made the tremendous sacrifices which they did make in the great contest of the World War.

Hon. C. E. TANNER: Honourable gentlemen, I have a few observations to make before this matter is disposed of.

I think it was yesterday or the day before that I suggested to my honourable friend the leader of the House that the statistical documents to which he was referring were not quite a satisfactory evidence of stability of policy, at any rate in regard to the province from which I come. I referred my honourable friend to the fact that the fishing districts in the province of Nova Scotia had been very much depopulated, and my honourable friend, if I heard him correctly, suggested that that would not have been the case if we had listened to the call of reciprocity.

On that subject, honourable gentlemen, I have only this to say: that as a Canadian, as one who has lived in this country all his life and who expects to live in it for the remainder of his life, and who hopes to see Canada become a great nation, is it not time to call a halt to this business of being dependent upon the United States and behaving as though we were an adjunct to that country? Cannot we stand on our own feet, or must we forever be grovelling on our knees begging for reciprocity? For my part I think it is time that the Canadian people stood on their feet and let our friends and neighbours to the south understand that we are standing on our rights, and that while we are quite ready to deal with them on a fair and square basis we feel that we can build up this country to as great an extent as they have built theirs, and can make it a great nation which will rival the United States of America. But we will never do that is we continue to keep in the back of our heads the idea that we cannot sell our fish or our coal or that we cannot use our pulpwood, but must look to the United States to be our helper and aid in every contingency.

That, honourable gentlemen, was not the mentality of my honourable friend opposite twenty years ago, or of his then political leader. That was not the mentality of Sir Wilfrid Laurier in 1903 when he and my honourable friend embarked on the railway construction policy of that period. The idea of Sir Wilfrid Laurier and my honourable friend at that time was that they were going to make Canada a great country, an independent country commercially and transportationally.

After hearing the remarks of my honourable friend, I thought it would be well to turn back to what the honourable gentleman told the people of Canada in 1903. I am not going to weary the House with a lot of reading, but I desire to give the House this extract from the principles of Sir Wilfrid Laurier in 1903. These are the words that he uttered in Parliament at that time:

In the face of this, are the Canadian Parliament and people going to stand on their manhood and place us in such a position that at all times of the year, not only by one railway but by two or more, we shall have access from January to December to our own harbours and be able to say to our American neighbours: "Take off your bonding privilege whenever it suits you: we are commercially independent?"

And on the same occasion he said:

This new railway will be another link in that chain of union. It will not only open territory hitherto

idle and unprofitable; it will not only force Canadian trade into Canadian channels; it will not only promote citizenship between Old Canada and New Canada; but it will secure our commercial independence, and it will forever make us free from bondage of the bonding privilege.

I only want to say, honourable gentlemen; that I think these are the principles which should prevail to-day. Instead of hearing my honourable friend suggest that if the fishermen are leaving Nova Scotia it is because we made a mistake in not accepting the reciprocity proposal, I would like to have heard him standing up and reiterating the sentiments which his honourable leader expressed in 1903.

Just as rapidly as I can I want to give my honourable friend a little more information. There is an idea abroad, I believe, that practically all of the talk that comes from the Maritime Provinces emanates from Conservatives-that it is political propaganda. I could give my honourable friend a great deal more evidence to the contrary than I propose to give him, but I am now going to give him one or two items which I think will convince every honourable gentleman here that it is not partizan propaganda. On this question of the fishermen of Nova Scotia I happen to have the report of an interview given in 1923 by the Hon. E. H. Armstrong, Premier of Nova Scotia. It is true that he was in favour of reciprocity, and perhaps he is yet, but I wish to quote a report of this interview, given in the Montreal Gazette in April of that year, in which he happened to refer to that very subject. He said:

The Fordney Tariff Bill and the high freight rates, the lack of preferential tariff and other oversights, have so disheartened the people of Nova Scotia, New Brunswick and Prince Edward Island that they feel that they are symply being left out. Reciprocity, said the Premier, would have been a simple thing for the commercial expansion and future of the Maritime Provinces. All who know conditions in our part of the world know this.

I am quoting him in full, as my honourable friend will see; but I want to observe that while he stresses reciprocity he also stresses the importance of freight rates. In another part of this article he says:

While dismissing any, ideas of succession however, the Premier pointed out that the people of the Maritime Provinces feel keenly that they have not been fairly treated by the rest of the Dominion. They have been made to feel, he said, that they are and should remain isolated, more or less forgotten, tolerated at the best, and not provided for like the more fortunate provinces to the west.

That is the intimation of the leader of the Liberal Government in the province of Nova Scotia. Another extract from this interview says:

In the meanwhile there is much dissatisfaction with conditions in general. The farmers cannot dispose of their products, especially their potatotes. The lumber merchants, after being practically ruined in 1921 and 1922, are beginning to feel ground under their feet, since the freight cars are beginning to arrive, but their outlook is not any too sunny.

That is the view given by the Premier of Nova Scotia, who is, as my honourable friend knows, a prominent Liberal.

I will read a further statement which was furnished over his own name by the Premier of Nova Scotia in the same year to a publication known as the Canadian Grocer. He wrote this special article on the subject of Nova Scotia's problems. One of the problems he refers to is that between Capital and Labour in the coal mining districts of the Province, another is the question of freight rates, and another is the question of the fisheries. I will read what he says after pointing out the burdensome rates under which the Maritime Provinces have been suffering:

The remedy for this condition undoubtedly lies in a Canada-wide appreciation of Maritime disabilities and a general realization that excessive freight rates are choking out our industrial life.

That is pretty strong language coming from the leader of the Liberal Government in the Province of Nova Scotia.

Now I will read what he says on the fish question:

A third problem for which Nova Scotia seeks a solution lies in the successful disposal of her enormous annual catch of fish. The fresh fish trade has been dislocated by reason of excessive express rates to central Canada and the passing of the Fordney Tariff at Washington.

So, it is apparent that in Mr. Armstrong's judgment the Fordney Tariff is not the only thing to be taken into consideration. But when the fish of the Maritime Provinces is excluded from the United States markets by the Fordney tariff, we have a right to look to the markets of central Canada. As he points out there, these matters which are within the control of the Federal Governments —excessive freight and express rates—have entirely eliminated the possibility of sending Maritime fish to the central provinces.

Now, that it may not be thought that Mr. Armstrong is alone in the views which I have read, I am going to read one paragraph from the leading Liberal newspaper of Nova Scotia. This is what the Morning Chronicle of Halifax said in June, 1923:

It must continue to be the aim of the people of the Maritime Provinces to keep this situation continually before the railway authorities and the people of Canada in order that relief may speedily come from the high freight rates which are slowly strangling the development of our industrial life in these Atlantic provinces.

Of course, I know I shall be told that Conservatives are the only people who are talking like that in New Brunswick and Nova Scotia;

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but I am quoting from the leading lights of the Liberal party in Nova Scotia to show my honourable friend and the members of this House that these matters of Maritime importance are being complained about bitterly by Liberals as well as by Conservatives.

Let me give my honourable friend a little further idea of how the Morning Chronicle talks about the situation. In another issue of July, 1923, it uses a great deal stronger language than I see in any of the Conservative newspapers down there. It goes back to 1867 and speaks of the impasse between Ontario and Quebec, and says:

They could or would no longer cooperate with one another. Apart, they were ready to fly at each other's throats. The aim was to provide a counterpoise by means of the Maritime Provinces. New Brunswick was Cajoled into the unpromising union. Nova Scotia was dragged in by the hair of her head, according to the figurative and expressive phrase of the time. Prince Edward Island was lured in at a later date. Practically every promise made to them, separately or collectively, and every undertaking entered into with them, has been disregarded or violated. They were promised wider markets, and larger opportunities. Those which they had previously enjoyed were brazenly snatched from them.

The Intercolonial Railway was to have connected them economically with the West. To their disadvantage, almost to their ruin, it has now become a means of robbing them for the benefit of the railway systems of the West, which prefer connections with American maritime ports. Never has non-reciprocal spoliation been more strikingly or more unblushingly practised under any political arrangement in any country, on any people.

That is the kind of sentiment that is being propogated in the Maritime Provinces by the leading Liberal newspaper, and my honourable friend need not be at all surprised if there is a good deal of discontent in regard to the conditions there.

My honourable friend also satisfied himself by reading from certain statistical documents to show that there is no unemployment, nor any difficulty about the cost of living.

Hon. Mr. DANDURAND: My honourable friend is in error. I stated that the unemployment had been 12.6 in the United States and 6.6 in Canada.

Hon. Mr. TANNER: I do not know anything about the 12.6 or the 6.6 but I know as my honourable friend who represents Cape Breton knows, that never before in the history of Nova Scotia has there been such a desperate state of unemployment in industry as there has been during the last year or two. The conditions in the county of Pictou have been appalling. In Cape Breton they have been practically as bad. And while my honourable friend was reading those reports in regard to employment, unemployment, and the cost of living, I presume he had in his possession the printed statements which were presented to him, and to the Government by the Associated Boards of Trade of the Island of Cape Breton in December last, and which set out, from a business and non-political point of view, the actual conditions existing in the Province of Nova Scotia.

Moreover, the statement of facts, particularly in reference to the coal and steel industries of the Province, is unqualifiedly endorsed over his own signature by the Hon. E. H. Armstrong, Premier of Nova Scotia. He gives his imprimatur to it. He writes on January 6th 1925, to the Honourable the Prime Minister of Canada:

Let me further assure you and personally impress upon you the idea that none of those who constituted the delegation was actuated by any other desire than to lay before your Government and yourself the existence of facts that in the opinion of the delegation are very disturbing and alarming, and who genuinely believe that conditions exist that not only require a remedy but can be remedied. May I be permitted also to add my further personal endorsation to the views expressed by the delegation, and to reiterate them and to urge upon you such relief as may be afforded at the earliest possible time.

What do this delegation ask of you? They point out that while \$120,000,000 of Canadian money is going every year across the line to buy coal mined in the United States, the coal mines of Canada are working either halftime or not at all. In Nova Scotia the miners have been getting only one, two or three days' work a week; and while they are walking the streets the coal from the United States is pouring into Canada, and it is allowed to come in.

Hon. Mr. DANDURAND: Anthracite.

Right Hon. Sir GEORGE E. FOSTER: Oh, no; bituminous.

Hon. Mr. TANNER: I am only presenting what the Premier of Nova Scotia presents.

Hon. Mr. SCHAFFNER: What did this delegation ask for?

Hon. Mr. TANNER: They asked for an increase of the duty—a protective duty on foreign coal.

Hon. Mr. SCHAFFNER. Could the honourable gentleman tell us the names of some of the delegation?

Hon. Mr. TANNER: I do not know the names, because they are not given here. There is simply mention of the Associated Boards of Trade of the Island of Cape Breton. I desire to put on record what they have said, because I would like this honourable House to know that the matter is before the Government: The allied coal and steel industries of Nova Scotia have been for some years in a depressed condition. At the present time unemployment and consequent distress among those dependent upon the industries for livelihood is more serious than in any recent period.

The prospect for the future is that there may be even more serious depression and resultant poverty.

I submit to this honourable House that that is a very serious statement, coming from the people who submit it. It is pointed out here that these correlated industries employ about 25,000 men and that practically one-fifth of the whole population of Nova Scotia are directly dependent upon those two great industries, coal and steel. The situation is pretty serious, then, as these gentlemen point out, when those two industries are on the verge of dissolution. "At no previous time," the statement says, "has employment been so scarce and insecure, the future so unpromising and the industrial community so discouraged, as at this date."

I said that there was \$120,000,000 worth of coal coming in, while our mines are idle. On the question of steel and steel products it is pointed out in this document that there were in Canada in 1913 twenty-two completed blast furnaces; only six of these remained in operation in 1923, and at this time-that is, the time of the presentation-the number in blast does not exceed two furnaces. But while the Canadian blast furnaces, including those in Nova Scotia, are cold, there is coming in from the United States \$138,000,000 worth of iron and steel products produced in that country, and in the production of which many thousands of men are given employment at good wages, while the steel workers of Canada are walking the streets looking for work in vain. That is the substance of the representation made in regard to steel.

Now I will conclude this matter by simply reading the summary which appears on page 26 of the statement:

The deputation, to summarize their representations, can only repeat that the condition of the allied coal and steel industries in Nova Scotia, and the varied interests that are dependent thereon, is truly desperate, and they can see no hope of relief from present difficulties, nor any hope of permanent prosperity in Nova Scotia unless remedies are applied by the Government, which alone has the power to take the necessary action.

It is not possible to exaggerate the calamitous consequences to Canada should coal mining in Nova Scotia be permitted to decline until it should play no important part in the fuel supply of the Dominion.

Not only would absence of native competition against imported coal eventually raise the price of coal in Canada, but a state of abject dependence upon another country for an indispensable material, would become permanent after Nova Scotia had ceased to give Eastern Canada some measure of self-reliance in coal supply.

I leave that matter, honourable gentlemen, simply repeating the remark that it is not in

any sense a party question. It is a provincial and national matter, upon which all persons are agreed. If Nova Scotia particularly is to be regarded as a partner in the Dominion of Canada worthy of any attention at all, worthy of being looked after and treated as a partner in this Confederation, then the interests of that province must be safeguarded. You cannot have a prosperous and contented Dominion of Canada and have one end of it decaying and the people fleeing from it as if it were a pestilence. Something must be done. Those gentlemen who came here representing the Province laid the cards on the table fairly enough. They state just what is happening, and they point out what is necessary. They declare that the protection which is now afforded by the tariff amounts to nothing; that the slack coal, 40 per cent of the coal produced in Nova Scotia, is unprotected. The United States send in their slack coal free of duty, just as their anthracite comes in.

Hon. Mr. BELCOURT: Will my honourable friend allow me to ask him a question? Has he a statement showing the annual differences in the supply of coal from Nova Scotia to Central Canada for say, ten, fifteen or twenty years back?

Hon. Mr. TANNER: I do not think I can give my honourable friend that information.

Hon. Mr. BELCOURT: What I fear is that my honourable friend is talking of a condition of things which has prevailed for a long time. So far as I can tell, it is nothing new.

Hon. Mr. ROBERTSON: Look at page 30 of the booklet.

Hon. Mr. TANNER: Oh, yes. This gives the production of coal for the 14 years from 1911 to 1924. I understood my honourable friend (Hon. Mr. Belcourt) to ask the proportion that came up to Central Canada.

Hon. Mr. BELCOURT: I suppose that would give us some idea.

Hon. Mr. TANNER: The production of coal in 1911 was 6,208,444 tons of 2,240 pounds. In 1924 it was 4,973,184 tons.

Hon. Mr. ROBERTSON: What was it in 1913?

Hon. Mr. TANNER: In 1913 it was 7,203,-913 tons; and in 1914 it was 7,005,000 tons. Since that, except in the year 1923, it has been down to 5,000,000 and 4,000,000. In 1923 it was slightly above 6,000,000 tons.

Hon. Mr. DANDURAND: The honourable gentleman is of course aware of the fact that the war took away many of the miners.

Hon. Mr. TANNER.

Hon. Mr. TANNER: Oh, I know.

Hon. Mr. DANDURAND: That the production dropped from 6,000,000 to 4,000,000 tons during the first year of the war.

Hon. Mr. TAN'NER: Oh, yes, I know that. The Cape Breton miners sent a splendid contingent to the war.

Hon. Mr. ROBERTSON: Will my honourable friend (Hon. Mr. Dandurand) permit me to correct the impression he has given?

Hon. Mr. DANDURAND: It is not an impression, for I was a director of the Dominion Steel Corporation and I know why the production fell from six million to four million.

Hon. Mr. ROBERTSON: The war broke out in 1914, and in the year 1916 these mines produced 7,276,000 tons of coal—

Hon. Mr. DANDURAND: The production gradually came up.

Hon. Mr. ROBERTSON: —as compared with five and a half million in 1924. So that statement does not hold good.

Hon. Mr. BELCOURT: Does not the manufacture of munitions account for the larger production?

Hon. Mr. ROBERTSON: I am making no suggestions; I am just answering the statement of my honourable friend (Hon. Mr. Dandurand).

Hon, Mr. BELCOURT: I would like to suggest it myself.

Hon. Mr. TANNER: What I am most concerned about is to emphasize the representations which have come from Nova Scotia.

Hon. Mr. BELCOURT: Will my honourable friend permit me? Does he attribute the stagnation, or the falling off in production in Nova Scotia, entirely to freight rates, or is it not largely attributable to the industria! conditions generally existing throughout the world, as well as in Canada??

Hon. Mr. TANNER: I do not know. I am willing to take the statement of these gentlemen who have prepared this presentation to the Government, and the statement of the Premier of Nova Scotia, who was until recently Commissioner of Public Works and Mines, in charge of the Mining Branch of the Government of Nova Scotia, to the effect that the mining and steel industries have been practically on their last legs.

Hon. Mr. LAIRD: Will my honourable friend allow me to ask him a question?

Hon. Mr. TANNER: Yes.

Hon. Mr. LAIRD: Is it not true that, either on the occasion of the last Federal Election or at some by-election, a promise was made on behalf of the Government that the duty would be increased?

Hon. Mr. TANNER: Oh, yes.

Hon. Mr. LAIRD: How does he account for it not having been increased?

Hon. Mr. TANNER: We have volumes of promises like that—volumes—whole pages of promises that the steel duties would be readjusted. My honourable friend the leader of the Government knows that.

Hon. Mr. ROBERTSON: Were they not readjusted?

Hon. Mr. TANNER: Readjusted? No.

Hon. Mr. DANDURAND: What about the protectionist Government before 1921?

Hon. Mr. TANNER: If the present Minister of National Defence had not given that assurance—I have in my possession voluminous speeches of his, delivered on the platform—

Hon. Mr. DANDURAND: Would my honourable friend explain to me how it was that the preceding Government, which was tainted with greater protectionism, did not provide for the situation?

Hon. Mr. TANNER: I do not know; but, you see, last year you took the duties off agricultural implements—

Hon. Mr. DANDURAND: But not off coal.

Hon. Mr. TANNER: —for the benefit of the farming community in the West.

I have a speech by my friend Mr. Macdonald, in which he made promises to the steel-makers of Trenton. He made an accusation against the Conservatives that they had done something like that before. He said: "When you elect me to go up to Ottawa, I will see to it that these duties on the steel articles that go into the manufacture of agricultural implements are reimposed so that you will have plenty of work down here in the steel plant in Trenton;" and he was going to have a duty put on anthracite coal as well as bituminous coal coming from the United States.

Hon. Mr. BELCOURT: Have you any figures to show to what extent it would relieve the situation, or what would be required?

Hon. Mr. TANNER: The view held down there is that we in Nova Scotia have a legitimate right to a large part of the Quebec and Ontario markets.

Hon. Mr. BELCOURT: Assuming that, what sort of a duty would bring relief?

Hon. Mr. TANNER: I think if the duty were raised, probably to the basis of about 1879, it would be sufficient. I do not know whether I can put my finger on the exact proportion now. I point this out to my honourable friend: that at the time the duty was imposed Nova Scotia coal could be put in the cellar for about \$3 a ton, and the duty on the American coal was 60 cents; today, when I buy my coal I pay \$12 to have it delivered to the side-walk, and have to pay to have it put in.

Hon. Mr. BELCOURT: How far is that from the mines?

Hon. Mr. TANNER: And the duty is proportionately very much less than it was.

Hon. Mr. BELCOURT: But that is right next door to the mines.

Hon. Mr. TANNER: I know it is.

Hon. Mr. BELCOURT: Railway freights cannot be blamed for increasing the price from \$3 to \$12.

Hon. Mr. TANNER: That is the price we pay. That aspect of the matter is dealt with in this statement. They ask for an adjustment of the duty on slack bituminous coal to at least the present duty on round bituminous coal, and the inclusion under the same duty of anthracite dust and cleanings. They ask further the imposition of the duty upon coal used in steel making and metallurgical processes, now exempt from duty. Then they ask for the readjustment of the duty on iron and steel products. I shall be very pleased to let my honourable friend see this document if he has not already seen it

Hon. Mr. BELCOURT: I should like to see it.

Hon. Mr. TANNER: I do not wish to take up time with details. Having directed the attention of the House to the fact that this important document is before the Government, I think I have fulfilled my duty in that respect.

Hon. Mr. BELCOURT: Would my honourable friend give us his opinion as to the extent to which the falling off of the coal industry would be helped? Hon. Mr. TANNER: Oh, I would not undertake to do that this afternoon; I have not given sufficient study to the matter.

Hon. Mr. BELCOURT: Would it help at all?

Hon. Mr. TANNER: Before I leave this matter of freight rates and duties, I would like to put in conjunction with the statement of the Right Honourable Sir Wilfrid Laurier, that I have read, the assurance that we had from the Honourable W. S. Fielding in 1903. This is the way he puts the matter:

Surely, sir, the time has come after years of deception, humbugging and trickery about the lines to the Maritime Provinces that faith should be kept with these people, and they should have a through line running on Canadian territory from ocean to ocean.

The desire to see the Canadian ports on the Atlantic and the Pacific used for Canadian purposes, and Canadian railways carrying Canadian freight to those ports instead of to United States ports is one of the matters which is interesting Nova Scotians and other Maritime Province people very much indeed.

Now, honourable gentlemen, I may be permitted to make one or two observations in regard to a question which has been discussed by some members of the Senate, namely, the constitution of the Senate. I am not going to dwell upon this question at length, but I have been thinking about it a little, and I would like to point out certain things. As I see the matter, there is no parallel whatever between the Senate of Canada and the House of Lords. I think that fact has been very clearly established by members of this House who have already spoken. This Chamber is constituted by a statute: the House of Lords has grown up during centuries of time. There is nothing in writing which could be held in any way to curtail the powers of the House of Lords. The powers of the Senate are clearly defined in the British North America Act; and now this House is being accused of doing the very thing which it was created to do.

I am not going to say that the Constitution under which Canada is governed should not be revised or reconsidered. The time may come when it may be necessary to do that in the public interest; but I submit that when so serious a matter has to be taken in hand, it should be done only for good reason and after thorough and well-digested consideration.

It is a mistake to say or to think that there was haste in the Old Country in regard to what is called the Parliament Act. My recollection is that it came after the House of Lords as then constituted had deliberately Hon. Mr. BELCOURT.

set itself to the business of thwarting the Campbell-Bannerman Government. At least, that was the charge made; and my reading rather convinces me that the allegation was correct, because practically all the important measures that went to the House of Lords during that period from the Campbell-Bannerman Government were either mutilated or thrown out completely; and I think history will confirm the statement that the Campbell-Bannerman Government had really good cause for a grievance against the House of Lords at that time. Notwithstanding that, the Campbell-Bannerman Government was very slow to move for a reform of the House of Lords, and I think I am right when I say that it was not until a subsequent Government came into office that the Parliament Act was passed. I know I have read not very long since, in Spender's Life of Campbell-Bannerman, a very interesting discussion of the subject; and Campbell-Pannerman prepared many lengthy statements in which he expressed great fear lest worse results should follow from reforming the House of Lords than were already being experienced.

Now, what is the condition of affairs in Canada? This whole matter has originated from a little political anger. A year ago this Chamber, in discharging the very duties which the British North America Act intended it to discharge and laid upon it-the safeguarding of the financial and public welfarecaused the Prime Minister in his anger to threaten what he would do to the Senate. Is that the temper in which to approach a questional of constitutional change? Is that the attitude which should be taken in approaching so important a matter as changing the British North America Act? To my mind the genesis of the whole proposal is wrong: it is wrong for the reason I have just stated, and for the reason that there is no justification for it.

The Prime Minister What happened? went West. I have in my possession a letter published by an honourable member of this House, the honourable member for Edmonton (Hon. Mr. Griesbach), in which he takes the Prime Minister to task for deliberately misrepresenting the action of this Chamber in regard to the railways affecting the province of Alberta. He shows to a demonstration that for the sake of currying a little favour on the question of Senate reform, the Prime Minister went into the province of Alberta and deliberately misrepresented the action of this honourable House. We had the other day the statement of the honourable member from British Columbia (Hon. Mr. Tavlor) which convicted the Prime Minister of

further deliberate misstatements in reference to the Kelowna railway in British Columbia.

I want to say now, honourable gentlemen, that it is not creditable to this country to have a Prime Minister who goes abroad and for the sake of a little petty, political, partizan success not only undertakes to assail honourable members of this House unjustly, but is willing to apply the gun to the whole constitutional provision regarding the Senate simply because, as one honourable member has said, he cannot get his own way. I am impressed by the idea that a gentleman like the Prime Minister, however worthy he may be in other respects, is only here for a little while-we are all here for only a little while -but the Constitution and this institution are here for all time; and it is not for a man dressed in a little brief authority to say that he will not only chastize honourable gentlemen because he is offended in his person by something they have done, but will uproot the whole institution.

Hon. Mr. BELCOURT: Where is my honourable friend's authority for that statement?

Hon. Mr. TANNER: I get it from the speeches which the Prime Minister made out West. Read what the leader of the Progressive party said the other day.

Hon. Mr. BELCOURT: Where did the Premier say that he was going to uproot the whole Constitution, or words to that effect?

Hon. Mr. TANNER: Perhaps my figure of speech is a little strong, but I gave expression to what the Prime Minister really meant. He was going to make a great change; he was going to take the sting out of this Chamber; he was going to make honourable members ornaments of no use, and having no force and no power. I do not see any difference between uprooting this Chamber and taking away all its powers. One, I think, is just about as bad as the other. He went to the West and made these statements in British Columbia, Alberta and other parts of the West. The leader of the Progressive party was so impressed that he expected, so he said the other day, a drastic measure in regard to the Senate. But the Prime Minister learned more wisdom when he came East. When he got as far as Toronto, he moderated his attack; then he went down to Quebec, where I do not think he even mentioned the Senate. He either forgot it, or considered it the part of wisdom not to say anything about it.

Hon. Mr. SCHAFFNER: Anyway he backed down.

Hon. Mr. TANNER: Then, when he came back to Ottawa he produced this policy of a conference. However, I am not going to dwell in this matter any longer. I just want to say that I do not take it seriously, not only because of the reasons which I have stated, but because I have lived through a campaign of the same kind in Nova Scotia. In Nova Scotia we have a Legislative Council, a Liberal Legislative Council, with just one Conservative in it. For 30 years to my knowledge the members of the Liberal Government of that Province have continually exerted themselves to stand up for a policy of abolition of the Legislative Council, and they have gone so far as to take from every gentleman who passes through the doors of that institution a written undertaking, signed by him, to vote for the abolition of that Legislative Council. They have trunks filled with those undertakings, all signed by good Liberals.

Hon. Mr. BELCOURT: Only Liberals?

Hon. Mr. SCHAFFNER: There is no one else there.

Hon. Mr. TANNER: And do you know, honourable gentlemen, that Legislative Council is more strongly entrenched to-day than it was 30 years ago. There was no more intention of abolishing it 30 years ago than there is to-day, and there is no more intention of abolishing it to-day than there was 30 years ago.

Hon. Mr. DANDURAND: Are they still taking written undertakings?

Hon. Mr. TANNER: Oh, yes, and the remarkable thing is that they say these exemplary Liberals will not vote the way they promised to vote; they actually break their promises.

Hon. Mr. DANDURAND: Have they been put to the test?

Hon. Mr. TANNER: Oh, yes, sometimes. It is said that there are one or two conscientious ones who stand up as the vote is taken, but they get well to the end of the line, and if they see that the majority is going to be against abolition they vote for it; but they make sure of their calling first by watching how the vote is going. Remembering that, and remembering that my honourable friend in 1904, I think, was associated with the policy of abolition or reform of the Senate, I am sure that we do not stand in very great danger from the present menace of the Right Honourable William Mackenzie King.

Hon. G. D. ROBERTSON: Honourable gentlemen, I rise to make a statement in answer to the honourable the senior member for Ottawa (Hon. Mr. Belcourt). He asked for information which the honourable gentleman who was speaking did not have under his hand, and made the observation that the production of coal in Nova Scotia was probably reduced in 1924 as compared with the war period because of the fact that the war requirements had been diminished and naturally production would diminish. The total consumption of coal in Eastern Canada in 1924 was 9,719,000 tons, of which 4,150,000 tons were imported and 5,569,000 tons produced. In 1920, the year of peak production of all things in Canada, the importation of coal from the United States for the same territory was 2,628,000 tons, and the production 6,370,000 tons. In other words, with an increased total consumption the production has dropped threequarters of a million tons. So that my honourable friend's thought would hardly hold good according to the facts presented in this report.

Hon. Mr. DANIEL: Is that all bituminous coal?

Hon. Mr. ROBERTSON: All bituminous coal.

Hon. JOHN McCORMICK: With reference to the question of the honourable gentleman from Ottawa (Hon. Mr. Belcourt), it is perhaps important to remember that when the existing duty of 53 cents a ton was put on bituminous coal and 14 cents on slack coal under the tariff of 1897, the price of run-ofmine delivered on board ship was around \$2.50, and the price of slack coal was 60 cents. There was a greater difference then than there is That is easily understood when you now. remember that the establishment of blast furnaces in Canada has taken place since that duty went on in 1897, and that as a result of the establishment of the steel industry in Canada the price of slack coal has increased to a very much greater extent than the price of run-of-mine, for the reason that in large steel plants and in the manufacture of coke slack coal is largely used. I have not the exact figures as to the difference in price, but I think that in 1897 slack coal was at 60 cents a ton and run-of-mine at \$2.50, and last year run-ofmine coal imported from the United States into the provinces of Ontaric and Quebec was valued at the border by the Customs Department at, I think, \$3.20.

Hon. Mr. BELCOURT: The difference between Nova Scotia and United States coal?

Hon. Mr. TANNER.

Hon. Mr. McCORMICK: No, no; that is imported coal coming into competition with ours.

Hon. Mr. BELCOURT: The difference between Nova Scotia coal and imported coal is \$3 and some cents?

Hon. Mr. McCORMICK: No. I am trying to show that the duty on bituminous coal is now scarcely any protection at all, whereas it was a reasonable protection in 1897. Then the price of coal was \$2.50 a ton, f.o.b. Sydney, and there was the duty of 53 cents a ton, equal to about 20 per cent. The price of coal to-day is \$4.50 a ton, and the duty is the same as before, namely 53 cents; so you have a duty of not much more than 12 per cent.

Hon. Mr. BRADBURY: If a good, stiff duty were imposed, sufficient to shut out American coal, would the Nova Scotia coal be sold to the consumer at the same money that would bring in the other coal?

Hon. Mr. McCORMICK: To the extent that the railways could supply it. On account of the difficulties in the way of transportation Nova Scotia might not be able to supply the province of Ontario. That is a large question, and perhaps we shall deal with it later.

It must be remembered that on account of geographical position and the increased cost of transportation Nova Scotia is deprived of a market in Central Canada for products that we used to send here; for instance, coal in the winter time. Up to the time of the war we sent coal into the city of Montreal, in the winter time, from places like Springhill. Now we are shut out of the Montreal market on account of the excessive cost of transportation.

Bituminous slack coal to the amount of 3,800,000 tons came into Canada in 1923, and that slack coal bears a duty of only 14 cents That is a mere bagatelle; it is no a ton. protection at all. Furthermore, a large porportion of that coal which is imported at a duty of 14 cents a ton is mixed with a runof-mine and sold to the consumer right here in the province of Quebec or the province of Ontario at the same price as run-of-mine. In that way the consumer gets a larger proportion of slack coal than comes from the ordinary mining of coal, and when it is sold as run-of-mine the country is deprived of a revenue of 39 cents a ton; and every ton of that bituminous slack that comes into Canada under those conditions is helping to deprive the coal miners of the province of Nova Scotia of a legitimate market in the province of Quebec.

Now, I do ask that in all fairness, as this coal is used here for the same purpose as run-of-mine coal, the same duty that is charged against run-of-mine, namely, 53 cents a ton, should be imposed on slack coal. I think we are entitled to that, because the absence of adequate protection is a hardship. It has not been created all at once. During the years of the war, as it has been stated by my honourable friend, the production in Nova Scotia was something like 6,000,000 tons. One of our first difficulties was that the war took away a great many of our men. I am proud to say that in the mining section from which I come our people realized their duty as citizens, and in that section-Sydney Mines and Florence and the lower end of Bras d'Or, with a population of 12,000, there were 1,031 voluntary enlistments, almost entirely from among the coal mining people and the workers in the steel industry.

In another way the coal industry was hurt. The coal that was shipped to our large market in the province of Quebec, amounting to about 21 million tons, was carried largely, though not entirely by a special class of ship. These ships were commandeered into the service of the Empire for the transportation of supplies and munitions to Europe for the Allies during the war, and for a couple of years after the close of the war they were not returned.

There is also this important factor, which I would like to impress upon honourable members, that the value of slack coal has greatly increased as compared with what it was in 1897. When the duty of 14 cents a ton was imposed, that coal was worth about 60 cents a ton. Now only the same duty of 14 cents is levied on a commodity that was last year valued by the Customs Department at \$3.20 a ton. It is not a protection tariff at all

Hon. Mr. BELCOURT: Will my honourable friend tell us what duty would be required?

Hon. Mr. McCORMICK: Fifty-three cents is what the mining people of Nova Scotia think ought to be imposed on that bituminous slack coal and anthracite slack and dust.

Hon. Mr. BELCOURT: And you want besides that a considerable change in the freight rate? What would that be?

Hon. Mr. McCORMICK: I do not wish to discuss that now. Of the entire production of coal of the province of Nova Scotia the major portion is in Cape Breton, the section from which I come, and some of it is in Pictou County. Coal is shipped during the open season of navigation. That is waterborne. Transportation by water is the most economical way of carrying it. If the duty on bituminous slack coal, as well as on runof-mine, were 53 cents a ton, we might wait for a decrease in the rail rate. It would, I think, bring about a great deal of improvement and help largely to solve the difficulties of the coal mining people of the province of Nova Scotia.

Hon. J. W. DANIEL: As a partial answer to the question by the honourable Senator from Selkirk (Hon. Mr. Bradbury), I may say this, that the coal which is burned in the power-house that supplies this building with heat comes from New Brunswick. What price is paid per ton I do not know, but I have been informed that as far as quality is concerned it is extremely satisfactory, and that the Government are saving a considerable amount of money by using the New Brunswick coal instead of what they were using before.

The motion for the Address was agreed to.

The Senate adjourned until Tuesday, March 10, at 8 p.m.

THE SENATE

Tuesday, March 10, 1925

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST READING

Bill A. an Act to correct a clerical error in Chapter 166 of the Statutes of 1924, intituled: "An Act for the Relief of James Henry Kirkwood."-Hon. Mr. Willoughby.

EXPORTS OF PULPWOOD-IMPORTS OF ANTHRACITE COAL

INQUIRY

Hon. G. V. WHITE inquired of the Government:

1. How much pulpwood was exported from Canada to the United States during the last fiscal year?

(a) from private lands?(b) from Crown lands?

2. What was the value of the anthracite coal im-ported into Canada from the United States during the last fiscal year?

3. What was the value of the anthracite coal imported from Great Britain during the last fiscal year?

Hon. Mr. DANDURAND:

1. (a) Exports of pulpwood from Canada to the United States during the fiscal year ended March 31, 1924: cords, 1,444,693; \$14,322,714.

(b) With the exception of Nova Scotia, the several provinces have regulations prohibiting, more or less completely, the export of pulpwood cut from Crown lands.

With the information available it is impossible to determine the relatively small proportion of the wood exported that originates on Crown lands.

Granted effective enforcement of provincial restrictions, it is safe to assume that the great bulk of pulpwood exported during the fiscal year 1924 originated on private lands.

2. Value of the anthracite coal imported into Canada from the United States during the fiscal year ended March 31, 1924: \$41,-934,241.

3. Value of the anthracite coal imported into Canada from the United Kingdom, during the fiscal year ended March 31, 1924: \$2,-070,865.

These answers have been prepared by the Dominion Bureau of Statistics and approved by the honourable the Minister of the Department.

OBITUARY EXPRESSIONS

TRIBUTES TO THE LATE HON. SENATORS BOLDUC, YEO, GODBOUT, FOWLER, MURPHY AND COTE

BEREAVEMENT OF HON. R. DANDURAND

Hon. N. A. BELCOURT: Honourable gentlemen, a very sad occurrence, which we all deeply deplore, and to which I may be permitted to make reference before I resume my seat, has cast upon me the unusually difficult and in this instance perilous task-and it is all the more so because I have had but very few moments for thought or preparation-the task of voicing our feelings of sincere sympathy and deep condolence on the departure of so many of our colleagues. During the last twelve months the inevitable and insatiable Grim Reaper has been exceedingly busy in our midst. No less than six of our colleagues in this House have been its victims: the honourable member for the Lauzon Division in the Province of Quebec, the late Senator Bolduc; the honourable member for East Prince in the Province of Prince Edward Island, the late Senator John Yeo; the honourable member for the La Salle Division in the Province of Quebec, the late Senator Godbout; the honourable member for Kings and Albert in the Province of New Brunswick, the late Senator Fowler; the honourable member for Tignish, in Prince Edward Island, the late Senator Patrick Murphy; the honourable the member for Edmonton, the late Senator Jean L. Côté.

Hon. Mr. DANDURAND.

The first named, the late Mr. Bolduc, was continuously a member of our Parliament for nearly half a century-to be exact, for fortyeight years; of which forty were spent as a member of this House. He was Speaker of the Senate for the ordinary full term, always discharging his duties as such with ability and perfect impartiality. Mr. Bolduc was contemporary, friend, or counsellor of every Prime Minister since Confederation, from the Right Hon. Sir John A. Macdonald down to the Right Hon. W. L. Mackenzie King, always taking an active part in the conduct of public affairs, in and out of Parliament. A strong party man, but ever a fair opponent, a most considerate and companionable colleague. Few, very few, of our public men have performed as long, as continuous and as faithful duty and service to their native province and to Canada. Of him it can with truth and justice be said that he was at all time and under all conditions and circumstances "vir probus et bonus."

The late Mr. Yeo was one of the most affable and lovable men who ever sat in either of the two branches of this Parliament. He sat in both. His record for continuous service, first in the Legislature of his native province, then in the elective chamber of this Parliament, and finally in this honourable House, is probably unequalled in the political annals of Canada. Contemporaneously with the attainment of his majority he was elected a member of the Legislative Assembly of Prince Edward Island, the Province in which he was born, and in that assembly he sat without interruption for 33 years. For 32 years thereafter-8 in the House of Commons and 24 in this House-he was an assiduous and ever deeply interested member of this Parliament. Altogether he rendered 65 years of continuous public service. From the beginning he won and until the last he retained and richly deserved, the confidence, admiration and affection of everyone in his own community and here, irrespective of party, religious or ethnical affiliation. What a noble, patriotic and inspiring example of public service, well and faithfully performed. our dear departed friend and colleague has left to us all and to those who, after we have served our time, will be called to "carry on"!

In the person of the late Mr. Godbout we have another remarkable example of patriotic duty long and thoroughly accomplished; quietly, unostentatiously, but yet effectively. His modesty, his affability, his constant wish and will to be of service in his own community, in his professional calling and in the larger field of parliamentary life and activity, never failed. The dignity of his life, his gentle

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manners, deeply impressed all those with whom he came in contact. He served 14 years in the House of Commons and 22 years in this House and always acquitted himself as a true and accomplished gentleman.

A keen, clear, and ever-ready debater, whether in the House or before Committees, was the later member for Kings and Albert in the Province of New Brunswick, the Hon. Mr. Fowler. Holding tenaciously to his own views and conceptions of men and affairs, and expressing them in vigourous and sometimes in aggressive language, he yet displayed frequently marked independence of thought and action, with a ready willingness to submit to the force of logic or propriety. His co-operation in committees, because of his professional knowledge and experience, his habit of probing things thoroughly, was invaluable When he was stricken down by the illness which terminated his life he had become a very valuable member of the Senate.

The late Senator Patrick Charles Murphy was an almost perfect specimen of that great and chivalrous race whose main habitat is in the Green Isle in the North Sea, whose sons have penetrated to the four corners of the earth and have taken in many parts a conspicuous share in the conduct of public affairs; who have won and received very generous support from other ethnical groups, and nowhere more so than in our own country, where they have been very frequently selected for political representation and honour, and more particularly by the ethnical element to which I have the honour to belong. His powers of observation, his analytical mind, his wit and humour made of him a worthy and dangerous opponent in any debate. He, like so many of his compatriots, always took an active part in public affairs, and long before he came to this House he was known and beloved by all in his own community, because of his manly qualities, his professional ability, and his constant disposition to be of service to everyone. His was the rare distinction of having four sons engaged in active service during the Great War.

In the untimely death of the late Jean Léon Côté the Senate mourns the loss of one of its most recent members. We are again reminded that, though death is inevitable and certain, there is nothing more uncertain than the time and manner of its coming. Among the departed colleagues to whom I have referred we find both the oldest and the youngest members of this House. The late Mr. Côté, like most of those who are within hearing of my voice, had served his country in various ways, and in his case at times under

very Spartan and strenuous conditions. As a Dominion Land Surveyor and pioneer he spent many years in the North-west portions of Canada, in the Klondyke and in Northern Alberta, in the Civil Service, in his capacity as a Dominion Land Surveyor, later as a member of the Legislative Assembly, and later again as a member of the Cabinet of the Province of Alberta. The intimate knowledge acquired by him of the northern country and its needs, and the large experience which he had gained there, would certainly have made of him a most valuable member of this House. It was my privilege to have been intimately associated with him by ties of friendship and of business, and I always entertained the highest conception of his probity, ability and stability.

To the wives, children, relatives, friends and neighbours of our departed colleagues I wish to convey our deep sympathy, and express the hope that they may find the courage and the consolation which will help them to bear their great loss.

My task, painful and difficult as it is, is not yet accomplished. I have no doubt whatever that I shall meet your wish and expectation if I take this opportunity to express for every member of this Senate his deep and cordial sentiments of sincere sympathy with the honourable leader of the Government in this House in the sad and cruel blow which he has so recently received. Of all the separations upon this earth—and life contains many for all of us—there is none to which can be compared the loss of one's life companion, one's supreme friend, counsellor and collaborator.

The leader in this House, whose virtues of heart and mind, whose friendly and gentle relations and manners are universally acknowledged and who performs with never-failing courtesy and friendly consideration for all the difficult and exacting duties of leadership, can rest assured that he has earned and is to-day receiving the heartiest sympathy of every member of this House in his overwhelming bereavement.

Speaking for myself, it was my very good fortune to be a lifelong personal friend of both M. and Madame Dandurand. It was my privilege many times to applaud the marked literary successes which she accomplished and for which she received great rewards at home and abroad, and to be a witness of the deep respect and admiration which she had earned by her womanly, motherly and wifely virtues, as well as by the active interest and share she constantly took in public affairs within the sphere of exclusively sane and sound womanhood.

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The loss of our friend and colleague can with difficulty be measured even by those who have had the privilege of a thorough acquaintance with the late Madame Dandurand. It may be a source of consolation and comfort to him to know that we are all aware of the indefatigable, gentle and tender care constantly bestowed by him upon her during the many many years of her invalidism.

We all ardently wish that he may be spared the strength and courage which he needs now more than ever in order to discharge the exacting, highly responsible and arduous functions and duties committed to him.

Hon. G. D. ROBERTSON: Honourable gentlemen, may I join briefly with my honourable friend the senior member from Ottawa (Hon. Mr. Belcourt) in a few words of condolence at this time.

Death, like time, is no respecter of persons. Since Parliament last prorogued many have passed from our midst—among them, as my honourable friend has said, probably the oldest and the youngest in point of service in parliamentary life, and in this House—men ripe in experience and in years and men in the prime of their usefulness.

I am sure that we all without exception have particularly tender and friendly and warm feelings for our late Mr. Speaker, Senator Bolduc, who during a long and useful life was known to the Parliament and the people of Canada for almost half a century. The Hon. Mr. Bolduc was an illustrious descendant of a noble French family who contributed to the settlement and colonization of Lower Canada more than 250 years ago. Few men enjoyed the confidence, the respect, and indeed the affection of the people more than he. His distinguished and conspicuous service to the people of his own community in Beauce County caused him to be almost unanimously selected as their parliamentary representative for many years. After being called to the Senate, his kindly and lovable disposition endeared him to all his colleagues, so that when opportunity presented itself he was elevated to the high and honourable position of Speaker. Many of us have the most pleasant and kindly recollections of his service in that capacity. The geniality, fairness and kindness which characterized his every act, in the discharge of both his official and his social duties, will long be remembered. It can be truly said of him that he touched nothing that he did not adorn.

Neither can we forget the many courtesies extended to members of this House by Madame Bolduc, who assisted her husband with such dignity and grace.

Hon. Mr. BELCOURT.

My honourable friend the senior member for Ottawa has so fittingly referred to the many excellent qualities and conspicuous services of Senator Bolduc that further comment seems superfluous, except to add that he was a friend to all and that his memory will ever occupy a conspicuous place in the hearts of his colleagues.

The late Senator Yeo, the member for East Prince, was a pioneer in the life of his own Province, engaging in business activities that were most useful in the development and upbuilding of that part of the Dominion. For nearly forty years he served his native Province as a member of the Legislative Assembly and a member of the Provincial Government, part of the time as Speaker of the Legislature. His services were so appreciated that he was sent to Parliament, first to the House of Commons and subsequently to this Chamber. He rendered conspicuous service in both business and public activities for more than half a century, and at the close of a long life, rich in service and honour, he, like many a staunch ship which he built, crossed the bar and went out to sea.

The activities and life of our late friend and colleague Senator Godbout have been fittingly referred to by my honourable friend. Personally I did not have the honour and pleasure of an intimate acquaintance with him-perhaps because of his somewhat retiring disposition, and because, as my honourable friend from Ottawa has so fittingly said, the grace and quiet dignity with which he did his work made him so inconspicuous among his fellows that I was not in a position to know very much of the late Senator's personal usefulness. I join, however, with my honourable friend in eulogy of the service and kindness and geniality in this House of the honourable gentleman. and share with my honourable friend the feeling to which he has given utterance.

The late member for Kings and Albert, Senator Fowler, was a man well known in the public life of Canada, first in the House of Commons and later in this Chamber. He was a man who championed fearlessly any cause in which he was deeply interested and in which he believed. I think he could properly be described as either a loyal friend or a worthy foe. In political life he sometimes spoke very plainly, indeed aggressively, but nevertheless the same genial George Fowler was always recognized by political friends and foes alike as a man of broad-minded principles and big heart. As my honourable friend has said, he was not spared to live out the usual term of a man's life, but was called away while still at the height of his usefulness; and

perhaps, we sympathize more keenly with the friends and relatives of those who are cut off in the prime of life than of those who have lived to mature years.

Senator Murphy was well known both here and in his native Province. He was in the prime of life, cut off before his time in the midst of an active and useful service to the people of the community in which he lived. Senator Murphy was born in the little island Province, where he grew up to render useful service in the medical profession, and later came to this Chamber as one of the representatives of that province. We all regret his early passing, and extend to his widow and friends our most sincere sympathy.

The Hon. Mr. Côté, from his appearance, was almost the last man that we would expect to be called from our midst—a man of fine physique, sturdy in build as well as in character, a man for whom one would have expected a long period of service in this Chamber. He was a pioneer in the Province of Alberta and did much to unfurl the banner of civilization in that Province, which he knew as perhaps few other men did. His passing has been a very distinct loss indeed both to his native province and to Canada as a whole.

We on this side of the House join in extending our respectful and heartfelt sympathy to the members of the bereaved families and the friends of the deceased Senators.

I join with my honourable friend from Ottawa in extending most sincerely to our respected leader in this Chamber the sympathy of the members, particularly on this side of the House, in the severe loss which he has so recently sustained. Madame Dandurand perhaps was not known intimately to many of us. I had the honour and pleasure of forming her acquaintance a few years ago, some time after she had become a confirmed invalid, and seldom does one meet a lady who bears her physical afflictions more cheerfully or with more fortitude and patience than did Madame Dandurand. She was conspicuous in good works, distinguished herself in literary pursuits, was notable for her charitable efforts. and words fail to express the feeling that one would fain express to our friend the leader of this House in this hour of his bereavement.

Hon. PASCAL POIRIER: Honourable gentlemen, if I rise to add a few words to what has been so well and feelingly said of our departed colleagues, it is because two of them hailed from New Brunswick, and because I am the senior member of this House from that province. Most of the Senators from New Brunswick have been spared to a ripe age; one of them, Senator Wark, spanning a century and more. But what are a hundred years, what are a thousand years, when the end has come? Everything that has an ending is of short duration, and time itself, by which we measure the length of our earthly lives, is possibly but a concept; at most it is a transition between two eternities. To-morrow is not yet and yesterday is no more. Nothing remains of life but the record of the acts performed during its fleeting passage.

Our departed colleagues were true Christians, who no doubt served their Master faithfully, and they all have gone to their eternal reward. But they also served their country well, and have left a heritage of which we their survivors are the legatees and beneficiaries, a heritage consisting of lives spent in the performance of good and useful works. Each of them in his own province stood in the forefront, not only in the performance of good works, but in all the activities that pertained to industry, com-merce, or the practice of liberal professions. This much can be said of good works, honourable gentlemen, that they precede us and remain behind us, serving as a beacon to younger generations to be guided by. Longfellow has rightly said that departing we leave behind us footprints on the sands of time.

Before taking my seat may I also extend my most cordial and deepest condolences to the honourable leader of this House in the irreparable loss of his most distinguished life-mate, Madame Dandurand.

The Hon. the SPEAKER: Honourable gentlemen, I have the honour to inform the Senate that I have received the following letter:

My dear Mr. Speaker:

Will you kindly convey to my colleagues my heartfelt thanks for the expression of their sympathy at the demise of Madame Dandurand, and for their splendid floral tribute.

Most sincerely yours,

R. Dandurand.

I think I should explain to the honourable members of the Senate that on this occasion I thought I was expressing their wishes in instructing the Clerk to send a wreath as coming from all the members of the Senate on the occasion of Madame Dandurand's death, and expressing to Senator Dandurand the sincere sympathy of the Senate in his bereavement.

Some Hon. SENATORS: Hear, hear.

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

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THE SENATE

Wednesday, March 11, 1925

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

Prayers and routine proceedings.

RAILWAY EARNINGS, EASTERN AND WESTERN LINES

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What are the gross receipts per mile on all railway lines west of Fort William—and what are the gross receipts of all railway lines east of Fort William?

2. What are the net operating expenses on the same in each case per mile?

3. Also the gross receipts in the three Prairie Provinces?

4. And also the gross expenditure in the same?

Hon. Mr. DANDURAND: This information is contained in a letter from the Department of Railways and Canals, which reads:

Dear Senator Dandurand,—We have been able to secure from the Canadian National Railways information in answer to questions 1 and 2 of the inquiry by Hon. Senator Casgrain which you dealt with on Tuesday. This information I enclose herewith.

Railway accounting methods do not permit of the compilation of receipts and expenses by Provinces, so that it is impossible to answer, even on behalf of Canadian National Railways, questions Nos. 3 and 4. The Bureau of Statistics of the Department of Trade and Commerce is unable to supply the information called for by any of the questions, so far as Canadian Pacific returns are concerned.

The statement attached to the letter refers only to questions 1 and 2, and is as follows:

Canadian National Railways

						Canadian lines only.	System including U.S. lines
1.	West	of	Fort	William	 	\$ 6,465	\$ 6,565
	East	of	Fort	William	 	13,138	14,612
2.	West	of	Fort	William	 	\$ 6,575	\$ 6,650
				William			13,031

CANADA-UNITED STATES SMUGGLING TREATY

RESOLUTION OF APPROVAL

The Senate proceeded to consider the following Resolution from the House of Commons:

That it be resolved by the House of Commons,—That it is expedient that Parliament do approve of the Treaty for the Suppression of Smuggling Operations along the International Boundary between the Dominion of Canada and the United States, and Assisting in the Arrest and Prosecution of Persons Violating the Narcotic Laws of either Government and for Kindred Purposes, which was signed at Washington on the sixth day of June, one thousand nine hundred and twenty-four, and which

Hon. Mr. SPEAKER.

was signed on behalf of His Majesty in respect of Canada by the Plenipotentiary therein named; and that this House do approve of the same.

Hon. R. DANDURAND: Honourable gentlemen, it will be noticed that the two Resolutions which are on the Order Paper relate to international Treaties. I desire to draw the attention of this Chamber to the fact that these Treaties were negotiated and signed in conformity with the resolutions of the Imperial Conference of October, 1923 as to procedure. It will be remembered that at that Conference the sister nations agreed that each nation belonging to the British Commonwealth should have the right to negotiate its own Treaties when they concerned matters within its exclusive jurisdiction. Most of the matters that we have to discuss and settle with our neighbour to the south are matters which concern Canada only.

Besides these two resolutions there are before the other Chamber two similar conventions or Treaties to be dealt with by Parliament. The autonomy of the different parts of the Empire constituting the Dominions each having its own Parliament is thus clearly defined. The resolution of October 1923 made it clear that whenever a sister nation discussed matters with a foreign power, if it appeared at the outset or during the negotiations that some other part of the Empire, whether Great Britain or Australia or South Africa or New Zealand, was interested, it should be notified in order that it might come in and attend to the protection of its own interests.

The object of the first resolution which I now move is to secure the approval of a Treaty of co-operation between the two countries for the suppression of smuggling across the boundary. It is quite natural that, being in such close relationship as we are geographically with our neighbour to the south, we should co-operate to secure enforcement and respect for the laws of each country. There was a Conference held in 1923 at Ottawa between officials attached to the Customs Departments of the two countries, for the purpose of making a working arrangement under which each country would help the other in suppressing smuggling. Draft resolutions were adopted at that Conference, and now form the basis of the Treaty, which was signed by Secretary Hughes for the United States and by the representative of His Majesty the King in respect of the affairs of Canada, the Minister of Justice, Mr. Lapointe, on the 6th of June, 1924.

Hon. Mr. DAVID: The British Government were not notified?

Hon. Mr. DANDURAND: My honourable friend refers to the British Government in London. I cannot say whether or not they, as well as the other Dominions were made au fait of the negotiations. As this was a matter exclusively within the domain of Canada, there was no need to notify the outside sister nations. I take it for granted that in this matter of treaties, in accordance with the resolution of October 1923, Great Britain put itself on an absolute parity with the other sister nations, the resolution affirming the freedom of each sister nation to deal with foreign affairs pertaining only to itself, and being of a general nature and applicable to Great Britain as well as to the Dominions.

This Treaty was ratified by the Senate of the United States on December 12, 1924. When approved by the Canadian Parliament it will be ratified by Canada, and an exchange of ratifications will follow.

Article 1 of this Treaty relates to the exchange of information between the officials of the two Governments, in respect to clearances of vessels or transportation of cargoes of dutiable articles across the international line. It provides, with respect to clearances of vessels, that where there is reason to believe that smuggling of articles prohibited in the neighbouring country is about to take place, the officers of the exporting country shall give information to the neighbour in order to assist it in preventing smuggling operations.

Article 2 provides that where it appears, from the size, the tonnage, or the general character of any vessel about to clear from a United States port or a Canadian port to some port designated, that it would be impossible for the vessel to reach such destination, clearance shall be denied if the cargo consists of goods prohibited in the neighbouring country. In other words, if, for instance, a clearance is asked for Cuba from a port in the United States, or for the West Indies from a port in Canada, and if it appears to the officer that the boat is not of such a size and tonnage as to be able to weather the seas, and he has strong suspicions that it is not really destined for the port designated, it will be his duty to refuse clearance. I may say that the Customs Department has already, some months since, adopted regulations to this same effect.

Article 3 of the Treaty contains a provision for the return to the owner of property stolen across the border and seized by Customs officials. I will give a concrete case. Hundreds of motor cars are taken, say, from Rouse's Point to Montreal. They are seized by the Customs officials and are sold at public auction for the benefit of the Customs, without regard to the fact that the victim in the other

country may present himself and claim ownership of the car. I have been informed that men who had stolen cars did not hesitate to bring them practically into the hands of the Customs officials, in order that they might be seized, and when the cars were seized and sold these persons were present to buy them back for a song; and then, when the car had a coat of paint and a Canadian title, they could return with it to the United States. paying little duty on a valuable car. I mention this instance as one of the abuses that are cured by the Treaty. The owner of the stolen article may follow it to Canada, or vice versa to the United States, establish his title, and recover it.

Article 4 relates to an exchange of information as to names and activities of persons who are suspected to be engaged in violations of the laws of the two countries. It is most important that the officers on both sides should work hand in hand to protect our two communities from this plague from which both countries are suffering, and the greater the co-operation between the officers of the two countries the better will our own laws be enforced.

There is another provision in the Treaty permitting a country that needs witnesses from the other country—mostly officials in cases of violations of the laws of the country —to summon such witnesses, and permitting those officials to answer the call. The summoning country agrees to pay the expenses of the witnesses so called.

Article 6 of the Treaty contains a provision with respect to the conveyance of prisoners, records and salvage where offences are committed against narcotic laws. Under the Treaty of 1908 officers of either country, in charge of prisoners accused of specified offences, may under certain regulations pass with their prisoners through the territory of the other country. The present Convention adds offences against narcotic laws to this specified list. It would apply to any point where a railway or other road crosses the boundary.

Article 7 admits of importation into the Yukon, through American territory, of liquors legally imported under the Yukon laws or regulations. This is on a parity with the right of transit, through the Panama Canal or by the Panama railway, of alcoholic liquors. I may say that this authorization on the part of the United States of our alcohol to pass from Skagway to the Yukon existed for a number of years, but all of a sudden some of the American officials decided that they had no power to give such an authorization. This arrangement makes it clear that Canada may transport its liquor under the Yukon laws or regulations through American territory.

The Treaty will be in force for one year, and thereafter it will be subject to thirty days' notice. It will come into force ten days after its ratification.

If I am not mistaken, when we were discussing the Temperance Act a couple of years ago, the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) moved for such regulation as would prevent Canadians from violating laws of the United States. I think this is a step in the right direction. Perhaps it does not go as far as my right honourable friend desired, but I believe that it will meet with the commendation of this Chamber.

I move the adoption of the Resolution, seconded by Hon. Mr. Watson.

Hon. G. D. ROBERTSON: Honourable gentlemen, not for the purpose of criticism at all, but rather for the purpose of information, I would like to make a few observations. Probably my honourable friend the leader of the Government could enlighten the House and clear up the points that I have in mind.

My honourable friend has specifically stated that the terms of this Treaty are such as to refer to matters that are wholly within the jurisdiction and domain of the United States and the Canadian Governments, and do not affect other parts of the British Empire. I think that is true in part of them. I see, or think I see, a situation which might arise wherein the British Government itself might feel that some of its citizens were involved.

Article 1 of the Treaty provides that it is compulsory on the part of the two Governments, upon request, to give information to each other respecting shipments of dutiable goods passing between the two countries. Subsequent sections provide that either country may require the witnesses from the other to aid in the prosecution and conviction of those who violate the laws. It occurs to me that it might possibly happen that British subjects who are not Canadian citizens might at some time find themselves in the toils as a result of a violation, or alleged violation, of the smuggling laws, and that if, by reason of the terms of this Treaty, the Canadian Government through its officials were the instrument through which British subjects who are not Canadian citizens become involved in criminal proceedings, and the British Government might be concerned, at least indirectly, in the Treaty. I would ask my honourable friend if that point has received the consideration of the Government.

Hon. Mr. DANDURAND.

Then, I notice that Article 1 provides that information with reference to the dispatch of shipments either by land or water is only to be given upon request; but in the last sentence of the same Article it refers to shipments that are cleared for foreign ports, and the Government seems to be under obligation to furnish without request information respecting the clearance of those vessels. Perhaps my honourable friend could tell us why the distinction was necessary as between the land and the water shipments.

Again, I note that there is a wide discretion left to the Customs Department with reference to determining what is and what is not a sea-going vessel. It may be very difficult exactly to define that in words, but we all know that very small boats, indeed canoes, have been crossing the Atlantic, as experiments, sporting propositions, etc. The matter would be simplified, I think, by some minimum line being drawn for the guidance of Customs officials, as the judgment of some of those officials at some ports might differ from that of others, and it might be wise if the Government named some particular tonnage as the minimum which would entitle a boat to clearance to an ocean port, by which I mean Cuba, the West Indies or Mexico.

I might also submit to my honourable friend this question: if a boat that is regarded by the Customs Department as capable of making a sea voyage is cleared from a Canadian port for Cuba, for example, and two or three days afterwards it seeks to clear from a Canadian port again, whether or not the fact that it was cleared for Cuba only a few days before would be regarded by the Government as sufficient justification for declining the second clearance papers sought?

I might also inquire as to a practice which I have heard is in existence on the Pacific coast in connection with the transportation of liquor. I am not sure that my information is absolutely correct, but I think it is. Tt. is to this effect, that the British Columbia Government requires evidence of a boat having cleared from the port to which it is destined; that is to say, if a boat leaves the port of Vancouver destined to a port in Mexico or on the Pacific coast, before it can get a second clearance paper from the port of Vancouver it must produce evidence of the fact that it has been at the port of destination mentioned in the previous clearance papers. I am informed that it frequently occurs that boats clearing for Mexico produce papers showing that they have been to Mexico and back again within 48 or 60 hours of the time that they left Vancouver on the first voyage.

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Right Hon. Sir GEORGE E. FOSTER: Were they not air boats?

Hon. Mr. ROBERTSON: Not that I am aware. They may have been oil burners, or possibly alcohol burners. These are points on which my honourable friend might give us some information, whether provision has been made for these emergencies.

Hon. Mr. DANDURAND: There are some questions that bear on this Treaty which only Customs officials could answer, and I am sorry not to have thought of having by my side the Deputy Minister of Custons. If my honourable friend feels that the matter is of such importance that the motion for the adoption of the Treaty should be adjourned, I will gladly obtain the information before we pass it, even if we adjourn it until to-morrow.

I may tell my honourable friend that his first question does not trouble me very much, as to possible entanglements with Great Britain's authorities in case a British subject who is not a Canadian citizen is involved in the procedure between the United States and Canada, because he could only be involved through some action of his own on Canadian territory, and he would be amenable to our criminal law. Hence I cannot see that there is any very great difficulty on that score.

As to sea-going vessels, and the importance of fixing a minimum tonnage, of course that problem may be somewhat difficult. A Customs officer may refuse to give clearance papers because he believes that the vessel is not in a position to reach the port indicated in the clearance. In the case of a bona fide shipper that would simply involve the necessity of his producing convincing evidence that he really intends to reach that port, and his good faith could be shown by correspondence which he would have. That is a matter which will adjust itself by general practice. Likewise, if a vessel has cleared for Cuba and returns to another port a very few days after obtaining that clearance, a second clearance may be refused; and I think that would be a good stand to be taken by a Customs officer. If in any of those cases the ship owner or ship master felt that he had been unjustly treated he could appeal to the Department at Ottawa, and there establish his good standing.

That is all the information which I can give at the present moment to my honourable friend on those three points.

Hon. Mr. ROBERTSON: I would not suggest that the resolution be delayed at all, but I thought it would be interesting if my honourable friend could enlighten us on the points named. The principle of fixing a minimum or maximum has been pretty well established by provincial Governments, for example, in fixing the strength of beer. I thought the same principle could be followed by saying that no boat less than a minimum tonnage of say 50 or 100 tons should be given any consideration as a ship suitable for departure to an ocean port.

Hon. Mr. DANDURAND: It might be interesting to this Chamber to have some further information on the various points named by my honourable friend. We may pass the resolution, but I will transmit my honourable friend's remarks to the Minister of Customs and ask him to give them his consideration.

Right Hon. Sir GEORGE E. FOSTER: I am sorry to hear my honourable friend use the word "may" in the hypothetical case. If a boat of whatever tonnage starts out to-day from a port on the Great Lakes destined for Cuba, and gets her clearance, and comes back in the next three or four days and asks for another clearance. I do not think there ought to be any "may be" in that at all. If that is not made imperative, the United States may whistle for anything that may inure to their advantage on that side; but this is a matter that goes further than the mere matter of Customs officers here and in the United States. It is such a gross violation of the spirit of the law that it leads to lawlessness wherever it is known, and I think a Customs officer who is guilty of that sort of thing ought to get his dismissal papers mighty sudden.

The Resolution was agreed to.

Hon. Mr. DANDURAND moved:

. That a message be sent to the House of Commons by one of the Clerks at the table to acquaint that House that the Senate hath agreed to the said Resolution, by filling in the blank space therein with the words "Senate and."

The motion was agreed to.

CANADA-UNITED STATES EXTRADITION TREATY

RESOLUTION OF APPROVAL

The Senate proceeded to consider the following Resolution from the House of Commons:

That it be resolved by the House of Commons,—That it is expedient that Parliament do approve of the Convention between His Majesty and the President of the United States of America for the purpose of enlarging the list of crimes on account of which extradition may be granted with regard to certain offences committed in the United States or in the Dominion of Canada under the Convention concluded between Great Britain and the United States on the 12th July, 1889, and the 13th December, 1900, and the 12th April, 1905, and the 15th May, 1922, which was signed at Washington on the eighth day of January, one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect of Canada by the Plenipotentiary therein named, and that this House do approve of the same.

Hon. Mr. DANDURAND: Honourable gentlemen, this is a Convention between His Britannic Majesty in respect of the Dominion of Canada and the United States for the extradition of offenders against the laws for the suppression of the traffic in narcotic drugs. It is, in effect, an addition to the list of extraditable cases.

As every honourable gentleman knows, no obligation to surrender offenders against the law of another country exists under international law, except by special treaty agree-Extradition treaties have been signed ment. between His Britannic Majesty and the United States at various periods since 1842, notably in 1889, 1900, 1905, and 1922, providing for the surrender of persons against whom prima facie evidence exists of certain crimes. The list of such crimes now include murder, manslaughter, arson, burglary, embezzlement, perjury, bribery, and other specified offences. It is now proposed, as regards Canada and the United States, to add to the list of crimes or offences for which extradition may be granted, crimes or offences against the laws for the suppression of the traffic in narcotics, of the country making the request for extradition.

Previous extradition treaties between His Britannic Majesty and the United States (1842, 1889, 1900, 1905, and 1922) applied to cases in which the crime was committed, or, in the other contingency, in which the offender was found, in the United States or in any part of the British Empire. The present agreement is confined to cases in which the offence was committed in the United States or in the Dominion of Canada, and the person so charged is found in the Dominion of Canada or the United States respectively.

The necessity for such an agreement arises from the elaborate organization of drug rings throughout the world and the dimensions to which the traffic has developed. On this continent there are a number of large traffickers in narcotics in the principal cities of the United States and also in Canada, particularly, in our case, in Montreal, Toronto, Winnipeg, and Vancouver. It frequently happens that while investigation is being carried on into operations of persons suspected of underground importation or local distribution of narcotic drugs, or a trial is under way, the suspects in question slip across the border, secure in the knowledge that they cannot be extradited. It is estimated by the Depart-

Hon. Mr. DANDURAND.

ment of Health that ten or twelve large dealers a year manage to escape from Canadian justice in this way, and of course the same thing applies, on a somewhat larger scale, to United States traffickers hiding in Canada.

The Canadian Department of Health and the Narcotics Division of the United States Internal Revenue Service work in close cooperation, by exchanging information, and occasionally by intercepting shipments; about a year ago, at the request of the Canadian authorities, the United States intercepted at New York a shipment of 100,000 ounces of morphine, heroin, and cocaine, consigned to a fictitious firm in Montreal.

There is, then, an urgent necessity for an extradition agreement which will assist in breaking up this traffic.

I move that the Senate concur in the Resolution from the House of Commons.

Hon. Mr. ROBERTSON: Honourable gentlemen, the same thought that was in the mind of the honourable member for Mille Iles (Hon, Mr. David) a few minutes ago presents itself again, that is, as to whether the British Government is cognizant of the terms of this Convention. It strikes me that the British Government, as appears from Article 1 of this Convention, was a party to the Extradition Treaty to which this one now proposed is to be added. It seems to me that it may well occur that a British subject not a Canadian citizen may be sought by the United States authorities, and his extradition demanded, and under this Convention Canada would be under obligation to deliver that British subject to the American authorities. It occurs to me that the British Goverment is not altogether disinterested in this Convention. Perhaps my honourable friend could clear up that point.

Hon. Mr. DANDURAND: I would make the same answer that I did to the first representation of my honourable friend. A person can only be arrested for a crime committed in the United States when he is running away to avoid punishment, and has taken refuge in Canada. His extradition is sought for because he is in the Dominion of Canada, and he is returned to the country from which he comes, the United States, whatever his nationality, whatever his name, whatever his origin. If he has committed a crime in the United States and has crossed the border, he is followed by American justice; he is arrested under a warrant, and the United States Government asks for his extradition. Then, if a prima facie case is made before an extradition commissioner, it is the duty of the Dominion of Canada to return the accused to the United States; but it is not part of his duty to examine into nationality. The accused is one who has committed a crime in the United States; his extradition is sought, and it would be no estoppel on his part to claim that he came from Great Britain or France. I am speaking within the hearing of members of the Bar, and if I am at fault in my reading or remembrance of the law, it will be for them to point out my error. It is my conviction that on a prima facie case the courts will return such a person to the country from which he comes. Likewise, if Canada made a demand for extradition in a case falling under the treaty, I believe the United States courts would refuse to examine into the origin of the person accused.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman enlighten me on one point? Was the Treaty between Great Britain and the United States regarding the extradition of criminals ever approved by Parliament, or was it necessary to have it so approved? As I recollect, Treaties are made by His Majesty with foreign countries and are not, or were not formerly, necessarily submitted to Parliament. That was the prerogative of His Majesty.

If that Treaty was necessarily submitted to Parliament before it became legal, under what authority does the Canadian Government make an extension of that Treaty? Now that the British Empire has been split up into a thousand component parts, I can hardly express myself as I desire. If the Treaty was originally made between the United States and Great Britain, how can we patch it up by adding anything to it?

Hon. Mr. DANDURAND: The answer is very easy. The Treaty of 1842 was made between His Britannic Majesty and the President of the United States. Under the procedure as it prevailed at that time, the Treaty covered the British Empire, because at that time there were no autonomous Dominions. I do not remember positively, but I have a vague impression that the Treaty was submitted to the British Parliament, and that its effect carried throughout the whole of the British Empire. Since the Dominions have received the power to legislate in matters appertaining to their own domain. the authority of the Parliament of Canada extends to matters appertaining to Canada, and, according to my reading of the British North America Act, there was in esse the power in the Dominion of Canada to deal

with matters extending beyond its borders. Those powers were not utilized, but were gradually extended according to the needs and desires of the Canadian Parliament.

His Majesty the King is now advised by six or seven Cabinets in reference to matters appertaining to those parliaments, and the Canadian Executive has advised His Britannic Majesty, King of Great Britain and the Dominions beyond the Seas, of the negotiations that were carried on, and has asked him to appoint a plenipoteniary with full power to sign the Treaty with the United States in respect of Canada, so that the instrument which is now deposited before Parliament is an instrument signed by His Britannic Majesty, who is the same power that signed the treaty of 1842. The Executive of this Parliament has carried on these negotiations and has asked His Majesty the King, by a Canadian Order in Council, to appoint his delegate to sign this Treaty. His Majesty the King, recognizing the advice of his Canadian Cabinet, has appointed that delegate, so that the question now before us is the ratification by the Parliament of Canada of a Treaty of His Majesty the King in respect of Canada. This, as I see it, is the working of the Constitution at this time.

I may add, with the consent of this Chamber-because I am out of order in addressing the Chamber a second time on this matterthat in 1866 Sir John A. Macdonald and Sir George Etienne Cartier crossed over with the Federal Compact and asked the British Parliament to adopt it as a Treaty between the four provinces of the East. When he reached the other side, Sir John A. Macdonald asked the British Cabinet to give Canada the name of the "Kingdom of Canada." He pressed this point ardently, and at one time he thought he had succeeded in obtaining that title for Canada. At the last moment, how-ever, the Minister for the Colonies felt that there were difficulties-not difficulties that would arise in London, but in the country to the south of us, and suggested the name of the "Dominion of Canada." He was afraid of the name "Kingdom of Canada" perhaps because it seemed to imply a clearer division of power, and because it would appear that the Kingdom of Canada was an entity fully as autonomous and independent as the realm of England. The Minister was afraid of the words, but I claim that he gave us the thing.

We speak of the Crown. The Crown has two interpretations. It may mean the King alone and it may mean the King in Council. There is the Crown, His Majesty the King the emblem which draws all Britishers in 106

their affection to the representative of sovereignty; and there is the Crown which represents the King in Council. The King in Council is the real authority; he takes his authority from Parliament, and in 1867 the authority had passed from the King to Parliament. It was the British Parliament that delegated a parcel of its authority to the Canadian Parliament and gave us all the powers necessary to administer this country-to levy taxes, to impose duties on foreign goods, even on goods coming from the Mother Country, to raise a soldiery, and to call to arms and organize a militia. These are the powers that were granted by the British Parliament to the Canadian Parliament. From that time on the King in Council as we knew him before 1867 -the King in Council for Canada-was no more in London, but in Canada; and, although not here in person, through his delegate, the Governor General, Canada has had the full powers of an autonomous nation and has been really what Sir John A. Macdonald desired it should be, namely, the Kingdom of Canada.

I may say that I do not claim the initiation of this policy for the present Government, because it was carried on by the Government of which honourable gentlemen who face me were members. When an Order in Council was passed asking His Majesty the King to appoint as Canadian plenipotentiary to Washington the Right Hon. Sir Robert Borden, which His Majesty the King did, there was initiated the policy which is now being carried on and which was recognized and accepted by the Conference of 1923.

It is recognized that the King can be advised by the various cabinets of the British Dominions respecting their own affairs. We are sister nations. If we were not a sister nation-if we were to submit to another cabinet, be it in South Africa, Australia, or London-if it were necessary for us to have our Orders in Council revised by another Cabinet-we would still be the subjects of the subjects of His Majesty, and would be inferior in status to the street cleaners of London, who can make and unmake the Cabinet that would be ruling over us. I claim that through the development of our own powers we have achieved an equality with the Parliament of Great Britain. I repeat, we are not the subjects of the subjects of the King. The King, His Britannic Majesty, signs a Treaty which adds to an old treaty which was made by His Britannic Majesty in 1842. I submit that Australia, South Africa. New Zealand, are doing as we are doing, and that autonomy will make for greater unity in the Empire.

Hon. Mr. DANDURAND.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, I am one of those who are entirely out of sympathy with the desire to make Canada a sister nation. I humbly venture to think that this eternal pounding of the idea into the people of Canada, in season and out of season, that they are not British subjects, but simply part of an association of nations for the time being connected with Britain, does not make for the continuance of the British Empire. I think that the British North America Act was intended to give to us, and did give, full power to legislate with regard to Canadian matters, and to make bargains with foreign countries with reference to things appertaining to Canada and to Canada alone; and I have never thought, and could never understand why it was thought that it was necessary to invoke the treaty-making power to make those bargains. We can go to New York to-morrow and make a bargain with the United States to construct a canal or to lend us \$5,000,000. That in no way involves the exercise of the treaty-making power. Apparently it is the view of some people now that, although we may make a contract with a foreigner, we may not make a contract with a foreign government. I think we can, and have always thought we could.

The point that I am interested in-it may be academic-involves the liberty of the subject. The Canadian Government undertakes to make a Treaty with a foreign government whereby it assumes the right to arrest and deliver to that foreign government a British subject who has committed no crime under the laws of his own country. In the eye of the law of his own country he is innocent and has a right to his freedom: but the Government of Canada makes a Treaty and assumes the authority to take that man prisoner and to carry him down to the frontier and to deliver him over to the foreign government. What authority has the Canadian Government to do that under the British North America Act, which is the Constitution of this country? The Government has authority to make laws to preserve the peace, order, and good government of Canada.

Hon. Mr. DANDURAND: That is a case in point.

Hon. Mr. LYNCH-STAUNTON: It has never until lately—until to-day if I am not greatly in error—assumed this power to take a citizen of this country who has committed no crime under the laws of this country and to carry him to the frontier and deliver him over to a foreign country. The British Parliament is, humanly speaking, omnipotent. It has absolute control over the lives, freedom, and property of all British subjects.

Hon. Mr. DANDURAND: In Great Britain, not in Canada.

Hon. Mr. LYNCH-STAUNTON: The world over.

Hon. Mr. DANDURAND: Not in Canada.

Hon. Mr. LYNCH-STAUNTON: Will my honourable friend pardon me? I say it has that power the world over. It could to-morrow pass an Act which would repeal the British North America Act. If it passed such an Act it would thereby—

Hon. Mr. DANDURAND: And cut the painter.

Hon. Mr. LYNCH-STAUNTON: Pardon me a moment. I am speaking now of the The legal position is that legal position. Great Britain can repeal the British North America Act to-morrow, or can pass an Act to override the British North America Act. That is her power. But of course Great Britain would not exercise that power. What the Parliament of Great Britain has made it can unmake. I am speaking only of its power. Now, this Parliament has no such power. It has only the powers that are given to it by the British North America Act. The Privy Council is constantly oversetting Acts respecting the people of this country passed by the Dominion Parliament. I think it did so the other day. It is constantly questioning our authority. Ours is a written Constitution.

Hon. Mr. DANDURAND: As between the provinces and the Federal authority.

Hon. Mr. LYNCH-STAUNTON: No, but it decides whether or not the British North America Act has given us the necessary power. That is the question that comes before it: "Where do you find it in the British North America Act?"

I cannot understand how any conference of Prime Ministers, or any resolutions passed by Cabinets, can extend the ambit of the British North America Act. If, 20 years ago, it was necessary for His Britannic Majesty to make a Treaty under which Canadians could be extradited to the United States, I know of no law of the British Parliament extending that authority to us; and it appears to me that if a Canadian placed under arrest were to appeal under the Habeas Corpus Act, he could raise before the Courts the whole question of the authority of this Parliament to grant that extradition. I am assuming all the time that as the honourable the leader of the Government has said, these Treaties are necessarily sanctioned by Parliament in Great Britain. If they are not necessarily sanctioned by any Parliament, and if his Britannic Majesty may under his own hand and seal create a law that trespasses upon the liberty of a British subject, then it is a mere formality to pass it here.

Hon. Mr. DANDURAND: I think my honourable friend misunderstood if he inferred from my statement that the British Parliament has of necessity to approve or ratify Treaties made by His Majesty the King. I remember that on the subject of the Treaty of Paris the Prime Minister of the day, Mr. David Lloyd George, stated that although there was a question as to the right of Parliament to intervene, he thought the Treaty was of such magnitude that it ought to be submitted to the British Parliament. I mention this because I have not affirmed that it was in Great Britain an unquestioned doctrine.

Hon. Mr. LYNCH-STAUNTON: My impression is that it is a modern practice for His Majesty to submit any Treaty to Parliament for ratification. I was surprised when the honourable gentleman said that a Treaty was submitted to Parliament as far back as 1846. I am not speaking by the book, but my impression was that it was within the last fifteen or twenty years at the farthest.

Hon. Mr. DANDURAND: I said that the Treaty of 1842 had perhaps been submitted to Parliament, but I could not affirm it.

Hon. Mr. LYNCH-STAUNTON: I de not wish to detain the House any longer. I have assumed that submission to Parliament is necessary under the British Constitution before a Treaty becomes law and confers, as intended, authority to arrest a British sublect in British dominions for some crime committed outside; and it appears to me that it must be necessary, because that is a peculiar class of Treaty, quite different from ordinary conventions between nations. If submission to Parliament is necessary, then I have not yet heard what authority gives the right of ratification to the Canadian Parliament.

Hon. C. P. BEAUBIEN: Honourable gentlemen, if the view is taken that the Dominion of Canada through its Parliament has no jurisdiction over a person who has committed a crime in a foreign country, what control have we over our immigration? Suppose there comes to this country a man who is an undesirable. Has it ever been questioned that Canada has the right to deport that man? Here is exactly the same principle. 108

But, looking at the question from a different angle, it seems to me that there is hardly any doubt as to Canada having this jurisdiction. Are we not masters in our own house? Suppose a man has committed a murder in the When he comes into our territory, States. and so long as he remains within our territory, is he not under our jurisdiction, and have we not a right to expel that man-to drive him to the extreme limit of our territory? It seems to me that we have. Now, if we have that power, it ought to be exercised by a certain method, that is to say, by extradition, and this, it seems to me, is the only power in question in this Bill.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend, or rather the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), to the fact that he voted for a law which gave to our immigration officials the right to deny admission or to reject a British subject, and he refused last year to have that law repealed.

Hon. Mr. LYNCH-STAUNTON: That is because the British North America Act has given us power to legislate regarding Canada. But to legislate regarding the United States is quite a different thing.

Hon. Mr. BEAUBIEN: Well, it is the same principle. We are not now considering whether the power which we desire to exercise comes through one channel or another. What we are examining now is whether we have that power. It seems to me that is the question.

Hon. Mr. LYNCH-STAUNTON: Where do we get the power?

Hon. Mr. BEAUBIEN: Whether it comes to Canada because Canada has the right to legislate in criminal matters, or whether it is because Canada has the right to legislate in regard to immigration, matters little. So long as Canada has the power, we have jurisdiction. It is sufficient for us to know that we are masters in our own home. If we can refuse to accept, or if we can go further and expel from our territory, any undesirable person, we have a right to consider and pass this resolution. After all, it provides only for the expulsion of a foreigner who comes here and is charged with a crime. To that we attach a procedure whereby we expel him to the country from which he comes. That is to say, in this case, we are going to take the criminal, or the would-be criminal, and conduct him back to the frontier-to the extreme limit of our territory, to which of course our authority extends. Beyond that he falls into the hands of the Americans, who exercise similar jurisdiction in their own territory.

Hon. Mr. BEAUBIEN.

Hon. Mr. LYNCH-STAUNTON: May I say one word with regard to Sir John Macdonald? The honourable gentleman drew our attention to the fact that Sir John Macdonald suggested that this should be the Kingdom of Canada; and I imagine that that precedent was cited for the purpose of showing that Sir John Macdonald had in view that we should be one of those sister nations.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: And that we should be Canadians. Well, I would point out also that Sir John Macdonald must have changed his mind, for one of the famous things that he did say was: "A British subject I was born, and a British subject I shall die."

Hon. Mr. DANDURAND: But there is no contradiction.

Hon. Mr. LYNCH-STAUNTON: We are going to be a sister nation. We cannot be British subjects if we are a sister nation.

Hon. N. A. BELCOURT: Honourable gentlemen, my honourable friend's difficulties seem to be purely imaginary. The power to legislate in criminal matters carries with it the power to enact and provide all the incidentals of that power. Now, there can be no question that this Parliament has been fully vested with all the required authority to deal with criminal matters. The Act of Confederation is an Act of the Crown as well as an Act of Parliament.

Hon. Mr. LYNCH-STAUNTON: The honourable gentleman asserts that. I am asking for the authority.

Hon. Mr. BELCOURT: I am trying to answer my honourable friend by pointing out to him that not only is the Act of Confederation a delegation from the British Parliament, but it is also a delegation by the Crown. Whether you consider the right to negotiate Treaties as one appertaining exclusively to the Crown, or whether you take the position that it belongs to both the Crown and Parliament and that whenever a Treaty is negotiated by the Crown it must be submitted to Parliament for ratification, I say we are amply covered in this instance, because by the Act of Confederation the Crown joined with the British Parliament in giving to this country power to legislate absolutely and exclusively within its territory in matters of criminal law. That carries with it the right to make or amend Treaties in regard to extradition. Nobody has ever questioned before this hour that we had the right to make extradition Treaties.

Hon. Mr. LYNCH-STAUNTON: Nobody ever asserted it before.

Hon. Mr. BELCOURT: What better assertion could be made than the passing of an Act itself? No assertion! Why, surely the Act itself is the most solemn assertion of that right that you could think of. It is not merely a declaration; it is a doing of the very thing which my honourable friend questions. And he says that nobody has ever asserted it before.

In this instance there is another answer, which is absolutely conclusive, and it is this, that in regard to this Treaty the Crown has appointed somebody in Canada to go and negotiate it. Surely my honourable friend will not contend that it is necessary that this Treaty negotiated with the United States of America shall be ratified by the British Parliament.

Hon. Mr. LYNCH-STAUNTON: If it must be ratified at all, it must be ratified by the British Parliament.

Hon. Mr. BELCOURT: But why should it have to be, if the British Parliament and the Crown united nearly sixty years ago to give us power to do this very thing? My honourable friend, I think, is putting up fences purely for the pleasure of knocking them down.

Hon. Mr. LYNCH-STAUNTON: If I have the client, the question will be brought before the Court.

Hon. Mr. WILLOUGHBY: Will this apply to sending persons out by sea as well as by land?

Hon. Mr. BELCOURT: I might add this. Nobody has questioned that power. In the Treaty of Peace, in which my right honourable friend took a very prominent part, with other Canadians, and at the different Imperial Conferences which have been held since, they acted not merely by virtue of Canadian authority, but by virtue of the direct powers issued by the Crown. I think my honourable friend (Hon. Mr. Lynch-Staunton) is living in the past. Many things have happened in the last fifty years which have apparently passed unnoticed by him.

Hon. F. L. BEIQUE: Honourable gentlemen, I hesitate to say what I intend saying, because this is a very delicate question and I have had no opportunity at all to examine it. I am prompted only by the remarks which I have heard.

I must say that I am entirely in accord with the idea of the development of our constitutional rights. I think it is quite proper

that we should have in this Dominion the power to make Treaties and sign those Treaties, as is now being done in all matters affecting exclusively the interests of the Dominion of Canada. I think there is no doubt at all that it is within the power of this Parliament to pass laws which will enable us to deliver to a foreign country any person violating its laws, whether he be a British subject or an alien; but if I understand the question which has been raised by the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), it goes a little further than that. The Treaty which is amended has been passed not by this Parliament, but by the Parliament of Great Britain. It may raise the question as to whether such a Treaty should be ratified by Parliament, and, if so, by the British Parliament or by the Canadian Parliament? I understand that is the question.

Hon. Mr. LYNCH-STAUNTON: That is the point.

Hon. Mr. BEIQUE: This question may be raised under this Treaty. A person arrested and delivered to the United States might question the validity of the Treaty.

Hon. Mr. BELCOURT: There is a provision now in our Criminal Code making smuggling a crime.

Hon. Mr. LYNCH-STAUNTON: There is no provision that I know of in the Criminal Code covering this point. This is not a question of smuggling: it is a question of extraditing a man who has committed a crime in the United States. It has nothing to do with smuggling.

Hon. W. B. ROSS: Is there any particular necessity for passing this to-day? Is there any reason why it cannot stand until to-morrow?

Hon. Mr. DANDURAND: None whatever.

Hon. W. B. ROSS: The matter is not as easy as it looks, and I would move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned until to-morrow.

HINDRANCE OF SENATE BUSINESS

On the motion for adjournment:

Hon. Mr. ROBERTSON: Before the motion for adjournment is put, I crave the privilege of making an observation that I think is in order. It is five weeks to-morrow since Parliament met. Our Order Paper is empty to-night. We have had scarcely any legislation sent over from the other Chamber.

One recalls that during the past three years particularly, at each Session, this matter has been brought to the attention of the Government, and an earnest request has been made that there be a special effort to send to this Chamber, as early in the Session as possible, the legislation coming before Parliament. We hear on the outside, and have indeed seen, some indications of a probably early prorogation-that the Government do not desire to have a prolonged Session; but I think it is only fair, and indeed proper, that we should call attention to this situation, and again urge that this House should not be put in the embarrassing position that it has occupied during the past three years, of being loaded up with important legislation during the dying days of the Session.

I think there are a number of important measures which will not only merit but demand minute inspection and careful consideration. I have in view particularly the fact that last year a rather petulant pronounce-ment emanated from the Prime Minister only an hour before the prorogation of Parliament, that did not reflect any credit upon this body or perhaps upon the Government itself. That pronouncement was regarded by the country at large, I think, as a threat against the Senate, and it was made in connection with delay for which, in my humble opinion, the Government itself was wholly and solely responsible, the fact being that certain important legislation, involving millions of dollars, was not enacted last year because some of it was sent to this Chamber within a few hours of the time when Parliament was prorogued.

I therefore beg leave to suggest to my honourable friend the leader of the Government in this House that he should call the attention of the Government to this matter. I feel sure that he has much sympathy with the view I have expressed, judging from the observations that he made on the floor of this House last year. With that sympathy, and his energy, we may perhaps succeed in getting the important legislation that is to be dealt with during this Session sent to this Chamber at a reasonably early date.

Hon. Mr. DANDURAND: Honourable gentlemen, we have just been speaking of the Constitution which was granted us in 1867, and which was largely a replica of that of the Mother of Parliaments. Ever since 1867, if one would look at Hansard as far back as we had a Hansard—because in the early years the Senate had no such record he would find the same complaint. There is a situation that apparently cannot very easily Hon. Mr. ROBERTSON. be cured. We have all made the same complaint, and the representatives of Governments have all promised to make their best efforts to obtain early legislation.

Now, if there is something in the working of Parliament that prevents certain important measures from reaching the second Chamber at such a moment as will allow it to do its work in a regular manner, there are but two alternatives—for the Senate to detain Parliament for a sufficient length of time to study that legislation when it comes, and dispose of it, or else to postpone it until the following Session. There is no other alternative that I can see.

During this Session I have examined into the legislation appearing on the Order Paper of the House of Commons, and I have pressed my colleagues to send to the Senate legislation which does not concern the financial situation and need not be initiated in the other Chamber; and I have gathered the impression that we will not have as much legislation this Session as we have had in preceding ones. During the last three years the various Departments have inundated us with legislation of all kinds. I have represented to my colleagues that many amendments to the laws relating to the various Departments which appear before Parliament yearly, could perhaps be brought every five years, unless of a very pressing nature. If we cannot get the important legislation until the very last days of the Session, the Senate will have to choose between adjourning that legislation to another Session or going on with it without regard to the feelings of the Commoners who have accomplished their work and would like to go home.

Hon. Mr. SCHAFFNER: Could we adjourn legislation from one Session to another? Does not all business end with the adjournment of the Session?

Hon. Mr. DANDURAND: Of course, a Bill that does not pass the Senate must, to become law, pass the two Houses in the following Session. For instance, in the case of the Pension Bill, we passed a few clauses and adjourned the balance.

I will make an effort to obtain from each of my colleagues a statement as to what can soon be forthcoming from each Department, and I may be in a position before the end of this week, or possibly on Tuesday next, to make a statement to the House.

Hon. W. B. ROSS: I would like to point out that one alternative the honourable gentleman gives as a solution of the situation does not necessarily help it. When we adjourn or give a three months' hoist to a Bill in this House on the ground that we have not time to consider it, the situation is not helped at all, for if they brought that Bill up from the Lower House again at the end of the Session, we would be where we were the previous Session, without time to consider it. In the case of the Bill that we postponed practically, for want of time, why is that Bill not here now?

Hon. Mr. DANDURAND: I can give an answer to my honourable friend, because this very morning I asked the Minister of Soldiers Civil Re-establishment if he would not press his Bill on this week. It being a money Bill, it cannot be initiated in this Chamber. He shrugged his shoulders and said that the Veterans were pressing him for a hearing, and, though his Bill was ready, he had delayed presenting it because he was expecting a conference with those gentlemen.

Hon. W. B. ROSS: Which all goes to show that we did the right thing when we did not pass that Bill last year, because they have not made up their minds yet what the Bill ought to be.

Hon. Mr. DANDURAND: Of course, the Minister has his Bill of last year, which was the result of the work of a House of Commons committee. He simply embodied the conclusions of that Committee in the Bill, which reached us two or three days before the end of last Session. That is the present Bill, I suppose. He did not tell me exactly that it was on all fours with the Bill of last year, but I understood that it was last year's Bill. As the various Veterans' Associations wanted to make some representations to him, and very likely to amend that Bill, he has been adjourning from day to day the presentation of it.

Hon. W. B. ROSS: But these Veterans, if they get caught out again this year, will have no cause to blame this House. They should have been here in the early days of the Session, or before, so that the Government might be in a position to bring in a Bill and give us plenty of time to consider it. The blame is being put on the wrong people in this matter: this House is being blamed for what they are not at all to blame for.

Hon. Mr. DANDURAND: I have a vague recollection that some fifteen years ago some very important insurance legislation reached us almost at the end of the Session, and we adjourned the Bill until the following Session. At the third Session, as it was not a money Bill, it was introduced in the Senate when we had plenty of time to deal with it, and I think that we made quite a good Act of it.

Hon. Mr. POPE: When the Prime Minister is going through this country threatening the existence of this Chamber, threatening to curb the Senate's powers, I think it is time that we had recognition in the other place, and that legislation should come here in time for our consideration. I know this is a very old story, but when a political party, headed by the Prime Minister, is threatening the position of this House, I say it is time that we notified them that if they want us to pass legislation here they should certainly send down their Bills in time for our consideration.

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

THE SENATE

Thursday, March 12, 1925

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

Prayers and routine proceedings.

THE LEAGUE OF NATIONS PROTOCOL

MOTION FOR RETURN

Right Hon. Sir GEORGE E. FOSTER moved:

That an humble address be presented to His Excellency the Governor General; praying that His Excellency will cause to be laid before the Senate a copy of the Geneva Protocol, of the report thereon submitted by the committees of the fifth Assembly of the League of Nations, and of the proceedings of the said Assembly detailing the discussion and action taken in regard thereto, and copies of all correspondence between the Government of Canada and the Government of Great Britain or any members thereof, in relation thereto.

He said: Honourable gentlemen, to-day in the city of Geneva there is a notable gathering in continuation of the sessions of the Council of the League of Nations, at which gathering it is supposed that the Chancellor of the Government of Great Britain will make a statement with reference to the protocol and the attitude thereon of his Government and of the British Dominions. If at Geneva there is concentrated interest these days, and particularly this day, as to what may be the nature of that statement and what the future effect will be upon the Protocol, firstly, and of the work of the League, secondly, that interest is not much less in all the numerous chancelleries of the nations, 55 in

number, which belong to the League, and which, to the number of 48, gave their unanimous adhesion to the perfected work of last year's Assembly in the protocol itself. Whether very much interest is shown in Ottawa, or in Canada, I shall leave each one to determine for himself; but the magnitude of the issue and of the consequences that may be entailed, no one who gives the merest quantum of thought to the subject can fail to understand and to appreciate. I am not giving it as a matter of acrid criticism, but as an observation, that under all these circumstances whether the existence of a measure so hardly come to and so thoroughly wrought out over a series now of nearly five years, a measure in which Canada herself is one of the nations concerned, did not deserve at the hands of the Government of Canada consultation and the communication of information and possibly an opportunity for suggestions. The Leader of the Government has very properly declared over and over again that he is not favourable to committing Canada to quarrels or combinations or agreements which may entail military action, without previous consultation of Parliament.

Some Hon. SENATORS: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: That is a proper decision to take. But the question comes to my mind whether there may be a more important thing than Canada being involved in a war, and in regard to which Parliament should be consulted. There may be this important thing-that Canada may be involved this very day in weakening, maybe in striking down, that which so many peoples of the world after long strivings have come to consider as high record-mark along the line of assured peace and of freedom from war, and whether or not it would not have been in accordance with parliamentary and constitutional procedure and democratic government that Parliament having been in session for more than a month, there should have been some information given and some consultation had as to what stand Canada should take.

Hon. Mr. CASGRAIN: Waiting for England.

Right Hon. Sir GEORGE E. FOSTER: I am asking honourable gentlemen to-day if they will kindly let me make my address. I do hope as I go on that questions will arise in the minds of honourable Senators, and I would be very much obliged if they would note them and raise them afterwards in the course of this debate to-day or otherwise. This is a rather important matter and some-

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what involved, and it breaks up the line of one's thought if interruptions are made and questions asked, all of which questions I shall be delighted to answer in so far as I may. That much then, by the way.

The first point that I wish to urge upon the attention of honourable gentlemen is this: that we keep the Protocol distinct from the Covenant and do not fail to give to each its due place; that is, that we should not hold the Protocol responsible for what is in the Covenant. If I gather aright many of the criticisms that are made, are not well based, because in making a criticism of the Protocol some actually criticize what the Protocol in no way new or unusual embodies, but which has already been embodied in the Covenant, and to which for five years Canada and all the other nations belonging to the League have been pledged. We must make that distinction and hold the Protocol responsible only for the new matter it contains.

Well, then, in the first place, negatively, the Protocol does not undertake to supersede the Covenant—not at all. It does not propose to take the place of the Covenant. It adds very little, if anything, to the obligations already taken under the Covenant; it adds nothing to all the series of sanctions of the Covenant. In fact, in one or two respects it alleviates those sanctions by limiting conditions.

It is well, then, to keep in our minds this firm fact, and we shall probably grasp the matter more clearly and consecutively if we go over a little of the ground of the Covenant itself. In the preamble of the Covenant all those nations that became members of the League of Nations pledged themselves not to resort to war. That was in the very forefront of the Covenant. All nations that belong to the League of Nations have taken that pledge and have undertaken to carry it out, and for five years they have carried it out, almost, if not altogether, in its entirety.

After the declaration not to resort to war, the Covenant prepared the paths by which war was to be avoided by providing for the settlement of international disputes by other methods than war. Let us see what those were. The nations pledged themselves to have recourse to arbitration, to the judgments of the court, and to the mediation and good offices of the Council of the League of Nations. Those were the three media through which it was proposed to lessen if not entirely to avoid occasion for war in the settlement of disputes.

In the matter of arbitration, that was voluntary under the Covenant; in the matter of submission to the Court, that was voluntary as well. Arbitration was provided, but it was for those subjects which seemed to the parties themselves to be susceptible of arbitration.

Resort to law was provided or was to be provided by the Court of International Justice; but it was open to the parties themselves whether they would submit their disputes to that International Court. To make it easier for them, and to lead the way, the Covenant itself specified four different lines of subjects as being particularly susceptible to reference to the Permanent Court of Justice when it should be formed. First, there was the interpretation of a Treaty; secondly, any question of international law; thirdly, any fact which, upon its being established, might lead to a breach of international obligation; and fourthly, any penalty which was necessary as a reparation for such a breach of international obligation But in all those cases it was for the parties themselves to submit their case to the Court or not as they thought right.

All questions except those were to come before the Council of the League, and it was arranged what course they should follow. The two disputants were to make their statements, their pleaders were to appear for them, and their case was to be thoroughly presented to the Council. The first duty of the Council when it had called them together and heard their case, was to say to them in effect: "Now, gentlemen, cannot you settle this between yourselves? Here are our good offices. We counsel you to settle. We point out ways by which we think you can reasonably settle this. Will you not settle it and have the finish of it here and now?" If the Council was successful in that, it ended the case, and its report was given accordingly. If not successful, the Council made its report and recommendations which if unanimous settled the dispute. If, however, the Council failed to reach a unanimous report, the case fell to the ground and the parties were left to fight it out. At that point peace methods ceased and war was permissible. If, however, one party to the dispute raised the question that it was a matter which belonged by international law to the domestic jurisdiction of the state, then the question had to be determined by the Permanent Court, and if the Permanent Court held that it was a matter which by international law fell under the domestic jurisdiction of the nation, that ended it: it gave that decision and the case dropped then and there. There was an absolute veto upon the Council taking up and deciding cases which under international law fell within the jurisdiction of the nation or of the state itself.

Now, the Protocol takes the matter up at the point where it was left undecided because the report of Council failed of unanimity, and the parties were left perfectly free to go to war. The Protocol comes in there with its added declarations—and I may as well give you the two primary declarations of the Protocol. In the Covenant the nations pledged themselves not to resort to war, but in the Protocol they declared: (1) that a war of aggression constitutes an international crime; (2) that arbitration should be compulsory for all disputes between nations.

These were the two points where the Protocol overtopped and outdistanced and supplemented the Covenant itself, and we must bear those two declarations in mind. I say that it struck high-water mark in the history of the world, and that no more forward and no more courageous statement was ever made by the community of nations in the history of the wide world than was made there: and it was made, not in a moment of excitement, but as the evolution and outcome of five years of work under the Covenant, of observation of the loopholes that still exist and of the measures that were still necessary to strengthen it in order that it might achieve the great purpose for which it was formed. No wars of aggression-Arbitration for all Disputes,-these were the high notes struck.

Following these declarations the nations say, in the Protocol: "The dispute shall not be allowed to grow into war; it must be arbitrated." So they direct the Council to take the matter up again and persuade the parties to submit their case to judicial settlement or arbitration. If that cannot be done and if one of the parties asks for arbitration, then the Council has to see that arbitrators are appointed, if possible, by consent between the two, or without that consent, and the process of settlement would go on to award. But if neither of the parties asks for arbitration, the Council again takes the dispute into consideration, and if it reaches a unanimous decision of its members, excluding the representatives of the disputants, its decision is final and must be complied with. If, however, the decision of the Council fails of unanimity the case is not allowed to drop. The Council then, of its own motion and by its own power, names and organizes an Arbitration Board. submits the dispute thereto, and the signatory nations pledge themselves to abide by that award and carry it out. So that under the Protocol no case goes to war; every case must be settled in the way I mention, being disposed of either by arbitration or by the Permanent Court, or by the Council itself by unanimous vote.

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Just at this moment one other thing comes in, and I wish to state it clearly. There is an addition made under the Protocol which deals with the cost of any war, or of measures which the League of Nations take in order to restrain the recalcitrant member if it goes to war, by assessing the cost upon the aggressor who goes to war against the spirit and obligation of the League of Nations. That settles beforehand, and advertises beforehand, to any would-be aggressor nation which breaks its obligations and goes against the spirit of the world, as represented in the League of Nations, that it must pay the cost, and the community of nations outside of itself which is in the League of Nations will see to it that the recalcitrant member does not impose his will upon the other member state which has accepted the award in good faith and fulfilled its obligations.

I think that very fairly shows the difference between the Protocol and the covenant on the matter of obligations. When we come to the matter of sanctions, I find, in talking to an opponent of the Protocol, that often his objections would have been just as apt if there had been no Protocol, being based upon the obligations and sanctions already in the Covenant. It is true that a great many people have not waked up yet to the fact that there are sanctions in the Covenant of the League of Nations, or what those sanctions are, and how far they lead, and how they are to be carried out. But it may be truly said that the Protocol has not added one single sanction to those which already existed in the Covenant, and does not call for any sanction on malfeasance by any member of the League of Nations other than those that are laid down in the Covenant, and which have been accepted as obligations by every present member of the League.

I find also that there is an inadequate understanding of the real status of the Council. For instance, it is quite natural, when one hears that the Council is composed of ten men, to say: "Well, I have very strong objections to having my country put under the direction of ten men in any Council, no matter where it is, to tell it as a nation what it has to do, and put into force these different sanctions." It does seem extreme, looked at from that angle; but do not let us rob the Council of its real importance and weight. That Council is not simply ten individuals, no matter how highly gifted, how experienced, or how wise they may be: that Council is ten of the foremost nations belonging to the League of Nations. The Council is not simply made up of individuals

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brought together ad hoc on this occasion or that occasion, in order to decide something as to sanctions: it is a permanent session of ten of the foremost nations belonging to the League, and representing every nation that belongs to the League, with delegated authority to carry out their wishes, which have been expressed in the form of pledges and sanctions and obligations by those nations themselves.

Then, this also should be taken into account -that those ten nations are not simply represented on one occasion. They are consecutive and quasi permanent: they meet every two months, and when they are not in meeting they are in constant diplomatic communication with each other. In the secretariat they have the finest body of advisers and servants, of undoubted ability and experience, who are all the time following matters with which the Council has to deal; and between the Secretariat and themselves there is constant intercourse as to what is going on. They are not brought up to the discussion of a new question and a decision upon it without preparation. Neither are those ten nations without immense powers-diplomatic, financial, commercial and Their diplomats are in the courts otherwise. of every country in the world. Between those 55 nations that belong to the League there is constant communication and confident and intimate knowledge and relationship.

What I want to impress upon myself and my fellow Senators is this: that it is an extraordinary body that will take its measures and make its recommendations, not on the spur of the moment, but as growing out of their constant and uniform knowledge of and versatility in and adaptation to the work which they are carrying on; therefore it is not likely that they will recommend measures which are impossible or unreasonable, because they know that when they recommend them they are the nations which are mainly responsible for carrying them out, and they will be very careful indeed as to the measures they recommend when sanctions are to be put on.

Now, what are these sanctions? Not the sanctions of the Protocol, but the sanctions of the Covenant. They are progressive. If an aggressor nation has to be disciplined, if it will not stand by its obligations, but makes war upon its neighbour, then the Council, those ten nations, with all their power and influence, may recommend what shall be done, and along In the first place, to sever at these lines. once all trade and financial relations. Does that mean much to a nation? All at once the nation faces the fact that if it does not settle its dispute peaceably, but goes to war, it is liable as a nation to a complete severance

of all trade and financial relations with the other 54 members of the League. That is a tremendous certainty for a nation to face and consider before it goes to war. But that can be followed by the prohibition of all financial, commercial or personal intercourse be-tween the nationals of the offending state and the nationals of the other members of the Taking those two League or of non-members. penalties alone, if these are settled and are known, and the belief is prevalent that the League of Nations will stand by them in good faith as they pledged themselves to do, what a restrictive and in most cases absolutely prohibitive influence it is against war, and how seldom requiring execution! Could any nation of all that combination of nations lightly face such a penalty as a result of its going to war? Suppose a nation, say Turkey, persists and goes to war with sav Bulgaria. We are not to leap to the conclusion that on the moment the Council will send out an order and say, for instance, to Canada: "We want you to send over one-quarter of your fleet and a third of your army at once;"-and similarly to other member states. That is not the thing that would be done. Anyway, the Council has no further power than simply to advise or recommend what ought to be done, and then it lies with the state itself to do or not that thing which the Council advises or recommends. In the last analysis the nation itself must be its own judge, and decide for itself whether or not it will comply with those recommendations; but its faith and fealty, and respect for its own reputation. all tend to the point of its accepting its part of the responsibility so far as it is advised to do so by the Council of the League.

Well, when those first measures fail—if they all fail—there will follow the call for interruption of intercourse with the offending nation. If it be a power which has ocean ports, the navy will come into operation for the purposes of a blockade. But a blockade does not mean a naval war, and may be effective without a shot being fired, the great probability being that it would never go any further than that, but that merely the proper and efficient show of force would bring the obedience of the aggressive nation.

But let us look at it in a reasonable way. Here are 55 nations. In some way or other the idea has been broached, and is prevalent, that the very moment these sanctions are to be imposed, the British fleet will be levied upon to do all the work, and will therefore have to take away portions of its force from the proper purpose of looking after its own widely distributed Empire. But in the first place it is the League of Nations Council

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which proposes and advises the measures that are to be taken. Great Britain is a member of that Council. It is of the essence of the compact that the nations loyally co-operate with each other, so that then and there those nations, when making up their minds as to what shall be done, know that it can reasonably be done, and that each one takes its proper share.

I said a little while ago that the Protocol softens the sanctions of the Covenant. Tt. does in this way that whereas the Covenant says that these sanctions are to be put on. that the Council is to recommend them it does not give any leeway at all. The Protocol does. It says that these arrangements will be recommended with a view to the "geographical position and to the situation of the armaments of each nation in the League." In that case Great Britain, being a member of the Council, and a prominent member, is at the centre of things, as to what it is recommended to do in the first place, and therefore what is feasible and right to be done. Anyway I do not think Canada should take the bit in her teeth and should declare that she will assume no sanctions, because she is afraid that she will be called upon to do her reasonable part in carrying out the obligations of the League of Nations. Imagine these ten nations at Geneva looking over the ground. Great Britain is there. It is not thinkable that she would recommend that an unreasonable thing should be asked from New Zealand, or from Canada, or from Australia. She is there, and that reasonable guarantee is there that nothing unreasonable would be demanded.

But suppose you take that mitigating clause of the Protocol into consideration. What demand could the Council of the League of Nations make upon Canada? She has no fleet. She has a fraction of a standing army and a small militia. But take into account also the geographical position. Where may this trouble break out? It may be a war of Hungary against, we will say, Rumania. A portion of territory was taken from Hungary and now constitutes a portion of the state of Rumania. It might be that Hungary would push for the possession of that territory and, despite all these sanctions, might go to war with Rumania. There is where the seat of war is. In that case the armies of the contiguous members of the League of Nations would be the armies that the Council of the League of Nations would naturally look to for turning Hungary from her designs upon Rumania. No fleet would be called into requisition at all. Two or three vessels could keep open the ports of Rumania.

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Similar possibilities would apply to the vast majority of the different nations amongst whom wars might break out. Each one has to be judged upon its own geographical situation and environments. These would point to the measures that are to be taken, and by whom.

I do not wish to labour that point further. I cited merely one instance or two with reference to it, in order to lead our minds along the practical lines of what might be supposed to take place in the carrying out and in the imposition of these different sanctions.

Perhaps it might be well to state here one other thing that the Protocol has done, in the way of definition and clarification, because this has been the chief purpose of the Protocol. What constitutes an aggressor, and who is to form the judgment as to who is the aggressor? Under the Covenant that was a duty which fell upon the Council, and a decision could be reached only by an unanimity of agreement amongst the members of the Council. Anyway, it was a very invidious task to throw upon the Council, and it was also in some measure a dangerous power to put into its hands. The Protocol overcomes that by defining an aggressed In the definitions nearly every possible case is compassed, and only in some mere fraction of cases, if any, is the final duty thrown upon the Council of the League of Nations.

An aggressor, for instance, is anyone who resorts, against the covenant, to war against another member of the League of Nations. When, for the purposes of shielding and restricting from war, delimitization zones are laid out between nations which have not yet become very friendly towards each other, and placed under the care of the League of Nations, as they may be, any nation who violates those delimitization zones is an aggressor. Then, any nation is an aggressor who refuses to submit his dispute to arbitration, or to the Court, or to the Council. Any nation is an aggressor who, when an award or decision has been given, refuses to carry it out or makes war upon the other party, who submits to and accepts the award or decision.

Thus the way is made plain for the League of Nations and the Council. The aggressor is defined, and it becomes an easy matter then to direct the penalties and carry out the sanctions. But if there be any case at all which is not defined and comes to the Council, then the Council has to decide that by a unanimous vote. But, whilst it is deciding that question, the Protocol hedges around the two parties to the dispute by what are

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really armistice conditions, which must take effect between the two and must be kept inviolate until the dispute is ended; and any nation which, under those circumstances, and before that decision is given, or immediately after, goes to war, is an aggressor nation. Anyway, the Protocol has lifted a difficulty out of the way and has made clear what was a very troublesome piece of business for the Council under the Covenant.

The Protocol, as I said at the first, is not meant to supersede the Covenant. It is really meant to clarify and strengthen it in these ways of organization and of definition, and it is the bounden duty of every signatory to support the incorporation of those amendments into the covenant itself, so that in the end we may not have two documents which are confusing, as they are now, but may have one document, the Covenant, as it would be amended by the Protocol.

I do not wish to take up too much time. and I am hopeful that my introductory remarks will lead to a thoroughly well-informed and intelligent discussion of this great question; for it is a great question. But there are two or three objections with which I wish to deal briefly.

The first is the question of the status quo. Men say to me, "I do not like this Protocol." "Why?" "Because it says there must be no such thing as aggressive warfare, and consequently you are arranging a document, and putting the League of Nations behind it, which makes it necessary that for all time to come the exact boundaries of the present states in Europe must be kept as they are." That status quo is not made by the Protocol: the status quo was made by the Peace Conference and was embodied in the Covenant. Article 10 puts it as plainly as can be. So do not blame the Protocol for that. We have been living five years under that status quo as embodied in the Covenant, and now I ask you, as reasonable men, what else could have been done but to guarantee the sacredness of boundaries and the political existence of the new states which were set up by the Peace Conference? Can you tell me? What else could have been done? Where would any one of those succession states be to-day if they had not been guaranteed that when the Peace Conference set them up, with their metes and bounds, they would be protected in those metes and bounds? Otherwise there would have been no security; there would have been almost immediate chaos.

"But," says someone, "they cannot always exist." It is not necessary that they should

always exist. But there are only two ways of changing them. One is to change them by the arbitrament of war; and the moment you commence that you have a Europe, and maybe a world, in chaos. Poland has her 30,000,000 people. Away back in history she was a free nation. Then came the division, and then all the multiplied sufferings of a nationality ground under the heel of three tyrannous powers. Now the spirit of old Poland comes back and is incarnated in 30,000,000 people, with their boundaries set. Are you going to allow any one nation in Europe to break up these boundaries? Do you expect that it can be done without an internecine war? And who would divide the spoils?

Similar considerations apply to Czecho-Slovakia-to all the succession states. How can you change them? Certainly not by war. But in the Covenant itself there is a way opened up, and in the advancing good feeling and sympathetic sentiment and reasonable community of ideals of the world of nations there is hope that, in the future, whatever there is that may tend to affect the ultimate peace of Europe and of the World may be in one way or another softened and reduced to conditions which will be more equable and more in favour of rectifications along the lines of peace. Article 19 of the Covenant opens up the way, and the Covenant imposes obligations and duties to protect the rights and soften the hardships of minorities; and the multiplied peaceful and soothing influences of the League of Nations will bring the nations more closely together: and if in the years of the future-not now-it comes to be felt and known that there are inequalities and differences which it would be better for the nations to overcome of their own good-will and by the advice of their sister nations, we may look for an improvement. But you cannot look for it in the din and horror of warfare. To attempt that, or to leave it open to that, would, as I have said, bring chaos into Europe and probably another great world war.

Then, there is the Russian problem. People say: "But Russia is not in the League of Nations. What is going to happen if Russia refuses to come into the League and determines to win back those territories which she formerly possessed, however poorly she ruled them?" You do not get out of that impasse whether you have a Covenant or Protocol or do not. Russia is liable to come back if you have no Protocol, or if you had no Covenant. But if ever she attempted to come back against those countries which have now obtained their liberties and have

had their metes and bounds set, it could be done only at the cost of a European war. Russia may say: "I want Lithuania, I want Esthonia, I want Latvia, and I want my strip of Poland." What does that mean? It means that Russia would then, if allowed, march straight into Poland and she would be neighbours, cheek by jowl, with 60,000,000 Germans who have not yet learned to love the French as brothers should love each other. Now, whether you have a Protocol or not, such an attempt as that on the part of Russia would inevitably lead to war. Does the Protocol help to lessen the danger? I contend that it does, because Russia sees the situation in full. If the Protocol passes and under it the 55 nations loyally co-operate with each other, Russia knows that an attempt of that kind on her part would be doomed to failure. Does the fact of the Protocol make it less likely that Russia would rush into that kind of warfare? I think it does, with all the sanctions and all the mighty massing of power. Russia is, after all, but one country in the world, and is not economically or financially able to go very far in the sustenance of war against such odds. Therefore I take it that the Russian problem would be easier.

But let us consider the situation as it related to the British Empire. Russia may attack on the east, or may attack on the west. For years past the British Empire has been, and probably it will be for years to come, within the shadow of a menace from Russia in the Far East. Without the Protocol, if Russia attacked parts of the British Empire in the East, the British Empire alone would have to repel the attack; but with the Protoco! and its goodwill and its loyal co-operation, if Russia attacked the Brtish Empire in the East, all the nations of the League would array themselves with Great Britain against Russia. It seems to me that the Russian peril is restricted and minimized, and not enlarged.

Then, there comes the Empire side of this matter. Here we are, outside Dominions and a Mother Country. Will this Protocol, if it is established and becomes workable, help in keeping and making firmer those relations that exist between us, or will it have the effect of disturbing those relations and weakening them and maybe of destroying them? Let us carefully look at that question. We Overseas Dominions have been members of the League of Nations for five years; we have had upon us all those obligations for five years, just as Great Britain has. At any time within those five years, if sanctions had been called for, we should have had to have taken our responsibilities. And why should we not? Does Canada have great aspirations to wear a national name and to pride herself upon her independence in all her affairs, and her status as a nation, and does she propose to have it all without any responsibilities? If she is going to be a nation, she must grow to a nation's stature and take her obligations as a nation. And I do not think she objects to doing that: I do not think she is in the position of wanting to eat her cake and have it as well, and saying: "I want to take all of the advantages, and none of the burdens."

Is it or is it not of advantage to Canada? Is Canada in favour of aggressive warfare? Whom does she propose to attack? In any disputes which may arise between her and the United States, is Canada looking forward to having full liberty to march over and settle the matter by war? If she has trouble with Japan, is she anxious to keep herself free to fight out the issue? Or does she fear trouble with the Eskimos in the far north, and desire to keep herself free to march her army thitherward? Surely, of all nations in the world, Canada is the last that wants to keep open the possibility of aggressive warfare. She has everything to lose by aggressive warfare and everything to gain by its being banned from the face of the earth. Without the Protocol and without the Covenant, in a dispute between herself and the United States, she would have to depend on herself. In a dispute with Japan she would have to depend on herself. If she still remained British, as I believe she always will, she would have the advantage of help from the British power; but outside that she would not have the help of the world of nations. But under the Protocol in any aggressive warfare made by any other country in the world upon Canada, the might of the League of Nations would be loyally co-operating in her defence and support.

Surely Canada would have nothing to fear, in the first place, by a declaration against aggressive war, and, in the second place, a declaration in favour of settling disputes by arbitration and peaceful means. What other method is there that is so reasonable? What other method is there that is so desirable, so little burdensome and costly? What other method is there which takes off in the long run the menace and the cloud of possible war? Wars do not benefit Canada. If you think that a war does benefit Canada, sum up the totality of the last war. A big price for wheat for a little while, extravagance of living, profiteers in abundance, great gains made, huge wages paid; and then, 60,000 dead and casual-Hon. Sir GEORGE FOSTER.

ties by the hundred thousands, and a load and burden of debt which three generations will not see lifted from the shoulders of the Canadian people. Surely there is nothing which is priceless enough as a bone of contention between Canada and any other country to make her hanker to have it settled by the arbitrament of war. Look at these differences that take place between nations-what are they? It is a boundary sometimes that they quarrel and dispute about. What boundary strip in the wide world is worth a world war? Every thinking man knows that the common interests of humanity to-day compared with a hundred years ago are infinitely greater. Then you could not have invoked such a sentiment as the solidarity and community of nations. To-day you cannot invoke anything greater, for under present conditions and future improvements, with the highly sensitized world system there is not a nation anywhere which does not feel the consequences of war to the very centre of its social and economic being.

So, when you come to analyse it, take for instance the mere matter of Serbia and Austria. What was the dispute? A boundary line; some matter of a quarrel as to somebody being shot. It was important in its way; but if you had had a 55-nation League of Nations at that time, in the form of combination and community in which they are to-day, nobody believes that Germany would ever have gone to war. The most experienced men amongst our statesmen and diplomatists are absolutely of that opinion. It does not seem as if there is anything so valuable that a dispute about it could not and ought not to be settled by peaceful means rather than by the terrible arbitrament of war, which in the future will be a hundred-fold more ghastly than it has been in the past.

And so for the British Empire: it is liable to be attacked on all the seven seas. It has under the Protocol something to gain and nought to lose—that whenever it is attacked by an aggressor, it has at its side the accordant and loyal support of other nations belonging to the League.

And now one word with reference to immigration. No later than this morning I read in one of the despatches what seemed to be a serious statement, that probably people should not rush to the conclusion that the Protocol was doomed; that we have not heard the last of it by a long way, and that a good many moons would wane before its fate was sealed; but what Great Britain was especially anxious for, with regard to her Overseas Dominions and herself, was the right to control their own immigration. Why, that is the clearest of all tenets of international law-that the control of immigration-who shall enter your front door and go out at your back door-is within the will of the master of the house. Japan has never contested that; no nation that I know of has ever contested that. Japan practices it today in the case of China, and Japan does not object to that as a proposition. It does seem odd that so much space should be given to the enunciation of a fear on the part of Great Britain and her Overseas Dominions that the Protocol would deprive them of their control of immigration. Surely on that score we have no trouble.

I am going to read to you what was given as the British legal statement on that amendment as it now stands with reference to the jurisdiction of a country over its own domestic affairs. Sir Cecil Hurst, who was the legal adviser of the Foreign Office at the time this was being discussed, was asked by the British Delegation to give them an opinion upon it This is what he gave:

It is the understanding of the British Delegation in accepting this amendment that the text now adopted, which it is supposed to add to Article 5, safeguards the right of the Council to **take** such action as it may deem wise and effectual to safeguard the peace of nations in accordance with the existing provisions of Article 11 of the Covenant. We accept it because we believe that it does not confer new powers or functions on either the Council or the Assembly. Those powers are already defined in the Covenant as it exists to-day, and we do not add to them by this text.

I could quote scores of opinions from British jurisconsults along the same line, but this is sufficient to show the trend.

There is only one little thing in the whole of the Protocol that troubles me, and I do not believe it is much of a trouble.

Hon. Mr. BELCOURT: Before my honourable friend resumes his seat, would he tell us why it is that the British Government is hesitating apparently a great deal with regard to the nature and effect of the Protocol, and apparently is not prepared to accept it?

Right Hon. Sir GEORGE E. FOSTER: I think my honourable friend probably knows as much about that as I do. I could not hazard an opinion. Neither in the British House of Parliament or elsewhere has the British Government as yet stated through Mr. Chamberlain what is the nature of its objections. To-day may bring out something of that—I do not know. But I will tell you what is significant. One cannot take up a United States newspaper which dis-

cusses this question, or scarcely any other paper from a foreign country, in which it is not stated with apparent conviction that the British Government is hesitating because of the opposition of the Overseas Dominions to the Protocol. Now, I do not know whether that is so or not. We will know by and by. I think we ought to have known before.

There is just one point I was a little doubtful about and cannot clear up in my own mind: that is, as to what would be the position of a member after it had gone to the Court, where the question of domestic jurisdiction was raised by the opponent state -say an immigration question-and had been turned down on it, and then came again to the League of Nations under Article 11 and put its plea in this way: "There is yet not a good feeling between us and our sister state, and we call your attention to the fact and ask you to notice it and consider it, and to do something if you can to alleviate the situation." The Council has no authority at all to reopen a question as to jurisdiction on immigration, which was decided by the Permanent Court. What it can do is simply to use its good offices to smooth over relations between those countries, if possible, to prevent recurring troubles between the two.

Hon. Mr. BELCOURT: Could it not take it up again by unanimous consent?

Right Hon. Sir GEORGE E. FOSTER: Once a decision is given they cannot traverse that decision; and there we remain at the present time. If the Council on that last notice by the state says:" No, we cannot have anything to do with the jurisdiction question: that has been settled: all we can do is to try to make things as agreeable as possible between you," I do not know what is the position of that state which has been turned down by the Court and which does not get redress from the Council. I would like to see that made more plain. You see, the opinions of Sir Cecil Hurst and others are along the same line. Other opinions are that it then might possibly be justified in going to war.

My position with reference to the Protocol is not an extreme one. I do not think that humanity in its most concentrated form ever made a perfect piece of work. It makes a comparatively perfect and workable arrangement. The Protocol is a result of five years' experience and travail towards a great objective, which is permanent peace and the elimination of war. It embodies conclusions after five years of experience. It may be that

there are some things, maybe several things, about it which could be made better by another year's consideration, and by an examination of objections such as will come, and a trial to obviate them, or to find methods somehow or other of bettering them in order to make it as nearly perfect as possible. My impression is that neither to-day nor later will the British Government kick over the Protocol. Neither do I think the Overseas Dominions have taken that position. What I do hope and think and believe will take place is that the matter will be postponed, and that suggestions, conversations and amendments will take place, and that at the next yearly meeting of the League of Nations at Geneva the matter will come up for review. I have faith to believe that these two declarations against aggressive warfare and in favour of arbitration for the settlement of all disputes. having once been thrown aloft for a weary world to gaze upon and gather hope from, will never be taken down. It may take more time than we think just now, but ultimately the great objective will be achieved.

Now, I want to read to you, in conclusion, the closing words of Dr. Benes, the Minister of Foreign Affairs of Czecho-Slovakia, who was the rapporteur of the third committee. when he laid this report finally before the Assembly:

Our purpose was to make war impossible, to kill it, to annihilate it. To do this, we had to create a system for the pacific settlement of all disputes which might ever arise. In other words, it meant the creation of a system of arbitration from which no international dispute, whether juridical or political, could escape. The plan drawn up leaves no loophole; it prohibits wars of every description and lays down that all disputes shall be settled by pacific means.

But this absolute character which applies to the system of arbitration should also apply to the whole of the scheme, in regard to all questions of principle. If there were one single gap in the system, if the smallest opening were left for any measure of force, the whole system would collapse.

To this end arbitration is provided for every kind of dispute, and aggression is defined in such a way as to give no cause for hesitation when the Council has to take a decision.

These reactions led us to fill in the gaps in the Covenant, and to define the sanctions in such a way that no possible means could be found of evading them, and that there should be a sound and definite basis for the feeling of security.

Finally, the Conference for the Reduction of Armaments is indissolubly bound up with this whole system; there can be no arbitration or security without disarmament, nor can there be disarmament without arbitration and security.

The peace of the world is at stake.

The Fifth Assembly has undertaken a work of world-wide political importance which, if it succeeds, is destined profoundly to modify present political conditions. This year great progress in this direction has been made in our work. If we succeed, the League

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of Nations will have rendered an inestimable service to the whole modern world. Such success depends partly upon the Assembly itself and partly upon individual Governments. We submit to the Assembly the fruit of our labours; a work charged with the highest hopes. We beg the Assembly to examine our proposals with care, and to recommend them to the various Governments for acceptance.

Those two reports, one by Benes and the other by Politis, were accepted and embodied unanimously by the 48 nations represented at the League Assembly at Geneva.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, you will understand that after a flow of eloquence such as we have just heard, especially when I do not agree with all that has been said, it is very hard indeed to get up and reply to the right honourable gentleman, especially when I have had no previous preparation, except that I have followed the doings of the League of Nations ever since its inception. I was a fervent adherent of the League of Nations when it started, for I thought it would do an immense deal of good; but now, after five years, I fail to see that it has done very much. The war ended five years ago, and nobody expected that we would go into another war in such a short time.

In Montreal a military man of very high standing, a general from Italy, who had charge of a division during the war, said to me: "Nobody need think of a war for at least ten years, because war requires preparation. If war should come from anywhere, it would come probably from Germany, as it is anxious to get back not only Alsace and Lorraine, but also the fertile part of Poland that was lost to it. However, remember that in order to make war the troops must be fed, and Germany is not in a position now, and will not be for some years, to declare war, though she is making preparations."

Certainly it is not the League of Nations that has prevented war during the last five years; nor was it before the Great War, as there was then no League of Nations; yet the world went on in peace for a long time. The right honourable gentleman talked about a war with the United States, but we have had 112 years of peace with that country without a League of Nations. So it does not need the League of Nations to keep peace. When we look over the world, we see some very strange developments. Here we have people talking about peace, and saying there will be no more war, while other people think that is a utopian idea and that as long as there are men on the earth there will be war.

But what is the British Empire, of which the right honourable gentleman is an ornament, doing at the present moment? I have the figures before me. It is actually proposing to spend \$50,000,000 to establish a naval base at Singapore, and I have a long article, which I have not time to read, showing that Japan says that if Britain insists on building that base at Singapore, Japan will also have to build one near there. Does that look like peace? The greatest and most expensive fortress ever heard of is now to be built at Singapore. More than that, some people in this country wanted us to contribute to that Singapore base. That did not go, at any rate with this Government, and I do not think it will; but does it look like peace when Britain is proposing to spend \$50,000,000 just now in that way? I do not speak of the wonderful air armaments that are being prepared; the biggest airships ever known are now being devised.

The right honourable gentleman said at first that we must distinguish the Protocol from the Covenant. I was surprised at this, because he had been championing and singing the praises of the Covenant ever since its inception. I would like to ask, what is the matter with the Covenant? Has the Covenant gone all wrong? Not at all; as far as the right honourable gentleman is concerned, the Covenant was good enough, but apparently it is not so now. Here is now the Protocol. Well, the Protocol is simply an amplification of Article 10, which the right did not mention. honourable gentleman Article 10 contains the whole kernel of the Covenant of the League, and it says that if any one country wants to act aggressively against the territorial integrity of any of the powers, then all the others will come to arms and say, "No, don't disturb those boundaries."

Every honourable gentleman has read the proposition made by England, that she was prepared to give guarantees to France against aggression from Germany as far as Alsace and Lorraine were concerned, but she was not prepared to guarantee that all the boundaries of all the countries that have been carved out in the eastern part of Europe would always be maintained. For instance, there is that famous corridor running from Poland to Danzig-a strip of territory about 30 miles wide passing right through Germany, cutting off part of Germany, and then making Danzig a neutral city. Well, everybody knows that at present Danzig is not a neutral city: it is a regular arsenal, and the Germans are just biding their time to drive the Poles away from Danzig, League of Nations or not, Protocol or not. Those who invented that corridor might have been great statesmen, but they were certainly not familiar with human nature. Do honourable gentlemen think that a powerful country like Germany would have

a territory ten leagues wide for its full length running to the sea and cutting them off?

The right honourable gentleman said that the Covenant was not perfect. I am sure it is not perfect in the matter of delimitation of those boundaries. The whole Treaty of Versailles was made very much to suit and please Mr. Woodrow Wilson, at that time President of the United States. The treaty-makers thought that they would do a great thing if they got the United States in, so they gave in to Mr. Wilson. Mr. Clemenceau said that he did not know how often he had given in to the President of the United States, because he was anxious to have that country in; it had made a lot of money from the war-it is said that it now has two-thirds of the gold of the world in its vaults. President Wilson was always a schoolmaster, and he simply took a map and made limits without any topographical features; that is to say, there was never a high mountain or a river to constitute a real boundary mark. It seems to me that in making that Treaty of Versailles they allowed almost anything; they even allowed Canada. New Zealand, and any other country that wanted to to sign it, to do so. Nobody asked: "Are you a sovereign state? What are you doing here? Why do you want to sign this?" People stood by and let England march in with all her Dominions behind her, and people were signing who had never been heard of before. But the absurdity of it will come out some day. The people were all so glad to finish the war that somebody in the United States said: "We have no objection at all to the King of England having seven votes, but we want a vote for every one of our 48 states, some of which have a larger population than all Canada, and much more than New Zealand, the Free State of Ireland, Australia, or South Africa."

The right honourable gentleman was in Montreal the other day, and I got a clipping from a paper which referred to a report that if the Protocol was not killed by Britain, she would insist on thoroughly remodelling it. The paper adds:

This bears out our contention that Sir George E. Foster was mistaken when he told a Montreal audience that the fate of the Protocol rested with Canada, and that if Canada did not endorse it, it would fall through.

Did honourable gentlemen know that we were so important as that? Here are these 55 nations wanting something, but because Canada does not rush to ratify that Protocol, the whole thing is going to fall through. But what about other people? Could not anybody else make any falling through? The paper adds: The idea that Canada should go ahead of Great Britain and endorse the Protocol is of course absurd. It might place Great Britain in an awkward position, and make Canada look ridiculous.

It seems to me that England is not very much in favour of the Protocol, as far as we can see, but is simply trying to pass the buck to the Dominions, and saying: "We cannot say anything about that now; we have to consult the Dominions."

There were many other occasions when England made propositions without consulting us. Why should they consult us more to-day than they did then? Only the other day, at Lausanne, they made a Treaty and did not consult us at all, and the Prime Minister of this country said, "We will have nothing to do with it." Well, he can say that, but to make sure on this matter I took the trouble of writing to Mr. Lloyd George, who has been Prime Minister of England and ought to know something of that sort of thing. I asked: "Do you think it will make any difference with the Lausanne Treaty whether Canada signs or not?" He wrote back and said: "No, I don't think it makes any difference; I think the Treaty was finished when King George and his Government ratified it; but of course it is open to Canada to make an independent Treaty with Turkey." People seem to forget that we are at war with Turkey. I do not forget it, because I had a son who was near the Turkish guns for nine months. As we did not participate in the Treaty at Lausanne, we are still at war with Turkey. Some people say that we are a nation-that we sign Treaties. Well, the best thing we could do would be to send somebody over to Turkey to sign that Treaty, otherwise we will still remain at war. It does not hurt us much, and I suppose members of this House do not recognize that we are still at war with Turkey.

Now, the Protocol is an amplification of Article 10, or I take it to be such. If Article 10 is really what it says, I do not know but that I might be in favour of the League of Nations, because then there would be something in it worth while. That is to say, the League of Nations would create a super-state, a state that would have an army and a navy, like a court with a sheriff, to execute its judgments. In international matters an army and navy are the sheriff.

Peace is based on good-will, and that is all very well, but the League seems to be made for angels, and not for men as we know them. If this Protocol would amplify Article 10, and give it more strength, as the right honourable gentleman says it would, where would the Right Hon. Charles Doherty come

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in? When he went to the League of Nations, he was the one who proposed to strike out Article 10 absolutely. But that did not carry, though there was a great deal of discussion on it.

Then our own Sir Lomer Gouin went there. and at first he got along beautifully. He proposed an interpretation of Article 10 to be embodied in the Covenant, an interpretation according to his liking, to make the Article say what it did not say; for there would be no use for an interpretation which would make the article say what it actually did say. Whenever lawyers desire to insert an interpretation clause, the purpose is to make the document say something other than what people read in it. However, it went through and was referred to a committee, and the newspapers said that it had been carried. Then it came back to the Assembly. But, lo and behold, of the 55 nations in the Assembly-if there were 55-all were in favour of it except one. And which one was that? The representative of Persia. Well, evidently the representative of Persia was put up by one of the big Powers.

The right honourable gentleman (Right Hon. Sir George E. Foster) has harped and harped upon those 55 nations. What are those 55 nations? I claim, honourable gentlemen, that there are in this world only eight nations that might be called independent sovereign states. There are Great Britain, China, Japan, Russia, Germany, France, Italy, and the United States of America. Those are the eight nations. As for the others, well, they exist by good-will, provided there is not a squeal out of them. These little nations are just the ones that we hear of as flocking to Geneva, because there they can assemble with important statesmen. Nay, even colonies like ours go there; and, upon my word, our statesmen, inhaling the balmy breezes of Lake Leman and sipping the sparkling wine of France, think whilst they are there that they are really representing a sovereign state.

Hon. Mr. McMEANS: The honourable gentleman is leaving out the Irish.

Hon. Mr. CASGRAIN: The Irish are there too, and I trust to them to break up the Covenant.

Everybody knows that in the world there are just 1,600 million people. That is the number you find given in any geography. Great Britain has 400,000,000. China has about the same number. There is already half of the world's population. Japan has 100,000,000.

Right Hon. Sir GEORGE E. FOSTER: China has how many?

Hon. Mr. CASGRAIN: It is said to have between three and four hundred million. The estimates vary. We are told it is very hard to ascertain the population. Some geographies say there are more people than that, and some say there are less. Let us assume the po-pulation is between three and four hundred million. I am talking only in millions. Russia has 175,000,000. That is the population given by the geographies before the war; but during the war, and under the magnificent rule they have in Russia, the Bolshevik rule, they must have lost a very large number of people. They have massacred a great many of their own people under that beautiful system of Bolshevism. On the other hand, there is the natural increase to offset that. However, I have put down the number stated in the geographies-175,000,000. Then, there is Germany with 70.000,000, France with 40,-000,000, Italy with 35,000,000, and finally the great republic to the south, the United States of America, with 120,000,000; making a total of 1,340,000,000 out of the 1,600,000,000 in the world. So those eight are the nations that have some real say, and have the money.

People talk about Poland. Well, where is the currency of Poland to-day? It is a very fertile country, as everyone knows, but it has a people who apparently could never govern themselves very well. We remember that Poland was once a great country, when King Louis XV of France, a great King, was glad to marry the daughter of the King of Poland; but the Poles do not seem to have progressed, and there is a spirit of carelessness amongst them.

Hon. Mr. DANDURAND: They are doing very well just now.

Hon. Mr. CASGRAIN: So much the better. I am glad of it.

If you take 1,340,000,000, the population of those eight nations, from the 1,600,000,000 in the world, all you have left is 260,000,000, divided amongst 48 nations. The British Empire may be considered as seven nations. Taking them out of the 55, we have 48 nations left. If we divide 260,000,000 amongst those 48, we find an average population of 5,500,000. Yet we hear a great deal about 55 nations. Persia is one of them, and it has not paid its fees to the League of Nations for I do not know how long. Then there is Liberia. I would like to know how many white men there are in Liberia? That is in the League of Nations and is counted as one.

People talk about arbitration and about the nations minding the League. How can they talk in that way in the face of what happened at Corfu? There was Mussolini

bombarding Corfu. If ever there was an attack, a brutal attack, it was that. What did the League of Nations do about it? They tried to remonstrate, but Mussolini absolutely refused arbitration, and told Sir Eric Drummond: "If you insist on arbitration, if you attempt to interfere with us, we will withdraw altogether from the League of Nations." A few weeks later Sir Eric Drummond left Geneva and went over there and explained to Mussolini that he might do just as he pleased, provided Italy would remain in. It is a sort of go-as-you-please arrangement, you can see.

Another thing we are told is that the League of Nations is going to decide who is the aggressor. Who began the war? That is something that nobody seems to be able to find out. The Germans say now that it was the French who started it. We are reminded of La Fontaine's fable of the wolf and the sheep. According to the wolf, it was the sheep that was the aggressor. At any rate, once the League of Nations has declared a certain country to be an aggressor, what is going to happen? All the expenses of the war are going to be charged to the aggressor. We have won the late war, and there was no doubt about Germany being the aggressor, and the whole world was in league against Germany. Are we collecting much from Germany? Have we collected much in the past five years? And will they pay? No.

Hon. Mr. BELCOURT: The Germans have overpaid the first instalment that they agreed to pay.

Hon. Mr. CASGRAIN: If the honourable gentleman is satisfied with the collection, very well.

Hon. Mr. BELCOURT: That is the fact.

Hon. Mr. CASGRAIN: Then, why are the French kicking so much, complaining that they cannot get any reparations? Take up any French newspaper from the other side and you will see nothing else. According to the French newspapers, the whole trouble is that France has not received any reparations. It might afford them some comfort if the honourable gentleman would assure them that they had been paid, though they never knew it.

Would honourable gentlemen be surprised to know that there are more white people outside the League than there are in it? That is a broad statement to make, but it is true. There are 55 nations in the League, but they are mostly blacks. I have the figures here and will quote them if you wish. Of countries that are not in the League you have Russia with 175,000,000 people, Germany with 70,000,000, and the United States with 120,-000,000. There are 365,000,000 people that are not in the League at all—more people, by 100,000,000, than are living in those 48 little nations.

Now, let us consider the number of white people represented in the League. England has about 60,000,000. We do not count the French negroes in South Africa, because they would double the number, but France has 40,000,000 white people. Then, there is Italy, with 35.000,000. For South America I have put down the number as 60,000,000. Then there are the Poles. In what remains of Austria there are say 8,000,000 or 9,000,000 people. Estimates vary, and the population may be perhaps only 6,000,000. Then, there are the Kingdoms of the Serbs, Croats and Slovenes, Rumania, etc. Put down another 75,000,000, which is a generous estimate. That makes a total of 270,000,000 white people in the League, as against 365,000,000 that are still out.

The right honourable gentleman (Right Hon. Sir George E. Foster) spoke a good deal about the Covenant. It must have been amended since the issue of the document which I borrowed from the Library a few minutes ago, and in which it is stated that there are only nine members in the Council. There were France, England, Japan and Italy, and a place for the United States, and there were four other members to be selected by the League.

These four Members of the League shall be selected by the Assembly from time to time in its discretion. . . Representatives of Belgium, Brazil, Spain and Greece shall be Members of the Council.

So if you make a calculation you will see that the number is eight, because the United. States did not come in. Now, my right honourable friend tells us that there are ten. I do not see how they have added the other two.

Hon. Mr. DANDURAND: The Assembly increased the number of selected members from four to six.

Hon. Mr. CASGRAIN: Mussolini also told Sir Eric Drummond: "Do not come and speak to me about that League of Nations. It is good for only one thing." I may mention that an article by Stephen Lauzanne is my authority for this. Mussolini said: "That League is all for England and France. They have all the good positions in it and we Italians have no good positions there at all, and we get nothing out of it. So we are not very much in favour of it, and we will get cut if you do not approve of our actions."

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I have just been reading the budget of the League, and I observe that Sir Eric Drummond fares very well in it. How much do you think goes for the frais de representation in the Secretariat of the League? They have translators galore, but for the last five years. even in the English version, they have used the expression, "frais de représentation." It has never been translated for the benefit of the English people. It must be something pretty bad when they do not want to let the English people know about it. I have translated the expression in this House before. It means giving a good time to everybody and having a good time yourself. I find in the budget of this year that the frais de representation for one department alone, that of the Secretariat, are 150,000 gold francs, or \$30,000. They are going to have a very good time with that amount.

When Great Britain desires certain matters not to go before the League of Nations, I suppose Sir Eric Drummond is tipped off and they do not appear on the agenda. Egypt appealed for protection to the League of Nations. It had declared a sort of independence. Then the Sirdar was murdered, and Great Britain asserted itself, sending battleships with some troops to Egypt. I may mention that Egypt does not belong to the League of Nations. But that does not matter: it is a small country and was supposed to be What redress did Egypt get? protected. When the meeting was held the Egyptian question was not put on the agenda; so it could not be discussed.

Now, I see they have been meeting in Rome. There is another queer thing about this League of Nations. They have all their paraphernalia in Geneva, but I suppose they like to travel and have a good time, as somebody else is paying for it, and they go from place to place. Now, if I am correctly informed, they are sitting in Rome. Why Rome? What is the matter with Geneva? If you were to see how expensive are their palaces and their offices at Geneva you would wonder why they should go to Rome or any other place. They have at Geneva 150 stenographers. At any rate, they are sitting in Rome.

Right Hon. Sir GEORGE E. FOSTER: They are not sitting in Rome. What is the use of saying that?

Hon. Mr. CASGRAIN: What is taking place in Rome now?

Right Hon. Sir GEORGE E. FOSTER: I do not know what is taking place.

Hon. Mr. CASGRAIN: Mr. Austen Chamberlain has gone down there. He passed through Paris only the other day.

Right Hon. Sir GEORGE E. FOSTER: I do not know what the Pope is doing, or what Mussolini is doing. I know the Council of the League of Nations is sitting in Geneva.

Hon. Mr. CASGRAIN: I am very glad to be corrected. I saw that Mr. Austen Chamberlain had gone down to Rome.

Right Hon. Sir GEORGE E. FOSTER: I have not taken the trouble to deny or to question the veracity of many of the statements that have been made by my honourable friend. I felt that if I did I would cut the speech into a thousand slivers.

Hon. Mr. CASGRAIN: I hope the right honourable gentleman will, for my own benefit.

Right Hon. Sir GEORGE E. FOSTER: I have never heard a man speaking for the same length of time father so many unveracious statements as my honourable friend.

Hon. Mr. CASGRAIN: I shall be very glad indeed if the right honourable gentleman will be good enough to correct me. I assure him that I am absolutely sincere, and I would like nothing better than to be put right.

Right Hon. Sir GEORGE E. FOSTER: But you will not stay right if you are put right.

Hon. Mr. CASGRAIN: The important thing is to be put right and given a chance to stay right. Now, here is a statement I made: I said there were more white people outside the League than in it. Does the right honourable gentleman deny that statement?

Right Hon. Sir GEORGE E. FOSTER: The honourable gentleman might just as well say to me: "There is a moon in the sky: will you deny that?"

Hon. Mr. CASGRAIN: But that is no answer. Get your geography and look it up. However, I must say that I like interruptions better than the right honourable gentleman. At the very beginning it would have been much easier to ask him questions as he went along, but I refrained from doing so.

As to the question of boundaries, the Protocol means that if they are disturbed it will be a case of war in which not only the people of Europe but we also will be embroiled. Canada was not in favour of Article 10 of the Covenant, and through its representative asked to have that Article eliminated. Subsequently Sir Lomer Gouin, belonging to another Government, went over and tried to have it amended. Notwithstanding all this we find a Protocol which is an amplification of something we did not want. I was very glad to hear the right honourable gentleman state at the conclusion of his speech—he himself admitted it—that at this present Session the Protocol would not pass, but there would be amendments. It will be, like most matters of the League, postponed till the Greek Kalends, and nothing will come of it except wind.

Hon. P. POIRIER: Honourable gentlemen, I see in this afternoon's paper that Right Hon. Austen Chamberlain has delivered a memorable speech to the League of Nations, outlining the attitude that Great Britain is taking on this momentous question. I beg leave to move the adjournment of this discussion until Tuesday next, to allow time for this House in the meanwhile to deal with the resolutions, which are possibly more pressing than this rather academic discussion.

Hon. Mr. DANDURAND: Before the motion of my honourable friend is put, may I be allowed to make a statement? I have no special mandate to make it, but it arises out of the question which was put to the right honourable gentleman the junior member for Ottawa (Right Hon. Sir George E. Foster) as to the reason why Great Britain was likely to refuse to adhere to the Protocol. The right honourable gentleman said that it had been persistently rumoured that Great Britain was hampered by the attitude of the Dominions. I do not know anything as to the action of the sister Dominions, but I may make this statement, that Great Britain was not in the least degree influenced by the Dominion of Canada in determining its course in this matter.

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

LIQUOR SEIZURES IN NOVA SCOTIA MOTIONS FOR RETURNS

Hon. Mr. TANNER moved:

That an Order of the Senate do issue for a return to include copies of all correspondence, statutory declarations, statements and other documents in the possession of the Department of Customs and Excise relating to the seizure in December, 1924, of intoxicating liquors claimed by Neil M. MacDonald, hotel keeper of Reserve Mines, County of Cape Breton, N.S.

The motion was agreed to.

Hon. Mr. TANNER moved:

That an Order of the Senate do issue for a return to include copies of all correspondence, statutory declarations, statements and other documents in the possession of the Department of Customs and Excise relating to the seizure of intoxicating liquors at the premises of Lambert Matthews of Edwardsville, Cape Breton County, N.S., in December, 1924.

The motion was agreed to.

CRIMINAL CODE BILL—PRINTER'S LIABILITY

FIRST READING

Bill 3, an Act to amend the Criminal Code (Printer's Liability).—Hon. Mr. Planta.

DIVORCE BILL

CLERICAL ERROR

Hon. Mr. WILLOUGHBY moved the second reading of Bill A, an Act to correct a clerical error in Chapter 166 of the Statutes of 1924, "An Act for the Relief of James Henry Kirkwood."

He said: Honourable gentlemen, this is a short Bill, and the explanation of it is as follows. During last session John Henry Kirkwood applied to Parliament for a Bill of Divorce. The Bill was recommended by the Senate Committee on Divorce, but through error it was prepared in the name of James Henry Kirkwood, and was passed by both Houses of Parliament in that form. The purpose of the present Bill is to correct the clerical error of last session by substituting the name "John" for the name "James."

Clause 2 of the Bill makes it retroactive to the 19th of July, 1924, the date of the Royal Assent to the Bill of last Session. This is necessary owing to the fact that the petitioner has since re-married.

Hon. Mr. BELCOURT: I suppose my honourable friend will see that the proper evidence is given, and that the preamble is proved.

Hon. Mr. WILLOUGHBY: As to the error in the name?

Hon. Mr. BELCOURT: As to identity.

Hon. Mr. WILLOUGHBY: The Clerk of the Committee has made quite an investigation, and has statutory declarations before him. This matter has not been before the Committee.

Hon. Mr. BELCOURT: I suppose when you have it before the Committee the proper evidence will be given?

Hon. Mr. WILLOUGHBY: The Clerk of the Committee has been satisfied, but if you want the matter to come before the Committee again, I have no objection.

Hon. Mr. DANDURAND: I suppose the Bill will be referred to the Committee. Hon. Mr. TANNER. Hon. Mr. WILLOUGHBY: I think it would be in any event. I am content that the Bill should go before the Committee after it gets its second reading.

Hon. Mr. BELCOURT: I am only pointing out that some evidence will be required.

Hon. Mr. WILLOUGHBY: The Clerk would not have gone this far if there had not been evidence.

Hon. Mr. McMEANS: What is the effect of a man being married under the name of James when his name is John?

Hon. Mr. DANIEL: It all refers to the same man, I suppose.

Hon. Mr. BELCOURT: My honourable friend will remember that this is introduced as a public Bill. I do not see how he is going to arrange for the proof. The Bill will go before the Committee of the Whole.

Hon. Mr. WILLOUGHBY: Yes, that is quite true.

Hon. Mr. BELCOURT: I think my honourable friend had better let it stand.

Hon. Mr. WILLOUGHBY: After the second reading I will move that it be referred to the Divorce Committee.

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

Hon. Mr. WILLOUGHBY moved, by leave of the House, that the Bill be referred to the Committee on Divorce.

The motion was agreed to.

CANADA-UNITED STATES EXTRADI-TION TREATY

RESOLUTION OF APPROVAL

The Senate resumed from yesterday the debate on the motion of Hon. Mr. Dandurand for concurrence of the Senate in approving the following Resolution from the House of Commons:

That is be resolved by the House of Commons.—That it is expedient that Parliament do approve of the Convention between His Majesty and the President of the United States of America for the purpose of enlarging the list of crimes on account of which extradition may be granted with regard to certain offences committed in the United States or in the Dominion of Canada under the Convention concluded between Great Britain and the United States on the 12th July, 1889, and the 13th December, 1900. and the 12th April, 1905, and the 15th May, 1922, which was signed at Washington on the eighth day of January, one thousand nine hundred and twentyfive, and which was signed on behalf of His Majesty in respect of Canada by the Plenipotentiary therein named; and that this House to approve of the same.

Hon. W. B. ROSS: Honourable gentle men, I have only a very short statement to

make about the motion now before the House, and have no desire at all to offer any captious 'criticism. Yesterday I was a little puzzled to know whether we were legislating in the right of Canada or were simply passing a resolution, which you might call a friendly one, which would operate as notice that we were consenting and agreeing to what was done under and by virtue of Imperial legislation. I do not know where we get the legal authority to make a Treaty of a Convention in our own right, nor can I quite see what is the legal effect of merely passing a vote of this kind. The easiest way I have of getting at the matter is to go back and see how this was done ten or fifteen or twenty years ago.

As I understand it, under the Extradition Act of 1870, which took the place of the old Extradition Act of 1842, and which is still operative, although it may have been amended in some small particulars, when a Convention was made with a foreign country in reference to the extradition of criminals, the Imperial Government would pass an Order in Council setting out the terms of the Conventionthe crimes for which men could be taken out of the country and for which we could claim extradition from the foreign country. That Order in Council had to be laid before the Imperial Parliament within some ten or fifteen days of the opening of the next Session. and also had to be published in the London Gazette, a publication corresponding to our Canada Gazette. When that was done it had the force of law.

What I would like to know about this is whether the Convention that we are asked to approve was brought about by proceedings under the Act of 1870. In other words, who authorized our Minister of Justice to go to Washington? Was it the Canadian Government in its own right, or was it His Majesty King George on the advice of his Imperial Executive? If Mr. Lapointe went to Washington on appointment from His Majesty the King, he would occupy exactly the same position as would Mr. Balfour or Lord Bryce, and would have perfectly good standing.

Now the Convention has been made. Has it been passed by Order in Council of the Imperial Government, and has it been gazetted in the London Gazette? If it has not, I do not quite well see how it has become effective. I can understand very well why the British Government should say to us: "The power is here in the Imperial Government; we will consult with you, and if you have any suggestions to make we will appoint your man and let him arrange your Convention; then we will pass the Order in Council and

publish it in the Gazette. You can then lay it before your Parliament for approval or disapproval. If your Parliament expresses its disapproval we will not gazette it; if it ex-presses approval, the thing goes." What has been done is perfectly legal up to the time of making the Convention; it is a sort of modus vivendi; but I do not understand that there is any Imperial Act changing the British North America Act and enabling us to take this Convention and put the stamp of law upon it. I would like to know from the Leader of the Government how Mr. Lapointe came to go to Washington. Was there an Order in Council of this Government? If there was, was it the only order? Has there been anything done in England, and if so, what?

Hon. Mr. DANDURAND: I can only give my honourable friend the official knowledge that has been imparted to me. It is that an Order in Council has been passed by the Canadian Cabinet asking his Majesty the King to give authority to somebody to sign a Convention with the United States. His Majesty the King has been pleased to appoint the present Minister of Justice to represent him, and to sign this Convention. That being so, I do not see that there is any difficultyexcept that we may examine into the constitutional phase of it-in accepting the document on its face. It is His Majesty, in respect of the Dominion of Canada, and the President of the United States-the one represented by Secretary Hughes and the other by the Minister of Justice-who have come together and signed this Convention. A11 that is asked of the Canadian Parliament is that it give its approval to the Convention itself-to the act performed by the delegate of His Majesty the King of Great Britain and of the Dominions beyond the Seas. My honourable friend thinks that under the Act of 1870, which forms the basis of the extradition rights between the United States and Canada, some further procedure must follow-among other things, the printing of the notice of this Convention in the London Gazette.

Hon. W. B. ROSS: The laying before the Imperial Parliament of the Convention.

Hon. Mr. LYNCH-STAUNTON: You must get an Order in Council in England.

Hon. W. B. ROSS: Certainly, there must be an English Order in Council.

Hon. Mr. DANDURAND: Without entering into the constitutional question at this moment, this could take place only in Great Britain, if my honourable friend is right, which

I am not prepared to admit. But if he is right, and if the British authorities had to pass an Order in Council and publish our supplementary Convention in the London Gazette, surely that would not be done before the Parliament of Canada had expressed its approval of an act which is to apply exclusively to Canada. However, the representation which my honourable friend makes as to the procedure will be examined by the Department of Justice, and a memorandum on the point he raises will be prepared and presented to this Chamber. It need not in the meantime stop our approving the convention signed by His Britannic Majesty and the United States.

Hon. W. B. ROSS: Perhaps it might be interesting to the members of this House if I read some clauses in the Act of 1870, chapter 52 of 32-34 Victoria:

An Act for amending the Law relating to the Extradition of Criminals.

(2) Where an arrangement has been made with any foreign State with respect to the surrender to such State of any fugitive criminals, Her Majesty may, by Order in Council, direct that this Act shall apply in the case of such foreign State.

So you must have an Order in Council there. Then:

Her Majesty may, by the same or any subsequent order, limit the operation of the order, and restrict the same fugitive criminals who are in or suspected of being in the part of Her Majesty's dominions specified in the order, and render the operation thereof subject to such conditions, exceptions and qualifications as may be deemed expedient.

Every such order shall recite or embody the terms of the arrangement, and shall not remain in force for any longer period than the arrangement.

Every such order shall be laid before both Houses of Parliament within six weeks after it is made, or, if Parliament be not then sitting, within six weeks after the then next meeting of Parliament, and shall also be published in the London Gazette.

Honourable gentlemen will see that there are three things necessary—the Order in Council setting out the terms of the Convention, the laying before the Imperia! Parliament, and the publication in the Gazette.

The honourable gentleman did not tell us what this Government is going to have done. Assuming that we are just testing the opinion of the Parliament of Canada on the matter, this motion could go without any more discussion, because then it could go to the Imperial authorities to see that the Order in Council was passed, that the Convention was laid before Parliament, and that it was published in the Gazette. So far as I can see, that is the authority, and that is the way in which it ought to be done.

What I do not know is, where we get authority to legislate here and turn this into law; and I would like the honourable gentleman to let us have that authority before we Hon. Mr. DANDURAND. pass this resolution. I can very well understand that, when Canada is trying to get as much autonomy as possible, it may be wise to invent some kind of a modus vivendi which, while we have not secured changes in our Constitution that enable us to make Treaties or Conventions with foreign countries, might permit the Imperial Government to say: "We can get around that by asking you to tell us what you want, and the man you want to appoint, and then we will do all these things for you, and in substance you will get what you want, although the form will be following Imperial legislation."

The difficulty arises entirely out of the mistaken notion, as I think, that Canada is a nation. I have never sympathized at all with that notion. I think Canada is a colony. It is very much like a boat that is being towed by a steamer: it has to follow the wake of the steamer. If it is to go at right angles to the course of the steamer, the only thing to do is to cut the painter and get it clear. I am not quite sure, either, that it is wise to keep instilling into the minds of our people the idea that Canada is a nation. This is one illustration that it is not a nation. But the question can be tested in another way. We have been talking about sending an ambassador to Washington; but did anybody ever hear of Washington talking of sending an ambassador to Canada?

Hon. Mr. DANDURAND: But they may when we do send one.

Hon. W. B. ROSS: They may send a Consul, and a very good Consul, but I think it is a quite improbable and almost impossible thing that the United States would send an ambassador here, another to Australia, and still another to New Zealand. They would get very much tangled if they did.

There is another phase of this matter of encouraging people to think that Canada is a nation: It may cause trouble. I remember when there was some talk about our ambassador not being received at Washington. and I heard a good deal of ill-will expressed towards the United States at the very suggestion that they would not receive a Canadian ambassador. I think one of the important things that any Government should bear in mind is to see that the existing goodwill between ourselves and the United States is preserved at all hazards, and that nothing that could possibly be avoided should be done, that would create ill-will, or give any ground for raising a cry of ill-will.

I think we might just as well stand where we are in regard to this Resolution. If we are simply pasing it as part of a modus vivendi between ourselves and the British Government, and that Government is going to put it into law and make it effective, I can understand where we are; but if we are trying to legislate for ourselves, I would like to see where we get authority to legislate.

Hon. Mr. DANDURAND: But we are not legislating.

Hon. W. B. ROSS: That is what I want to know.

Hon. Mr. DANDURAND: My honourable friend knows that this is not a Bill which is before the House: it is simply a resolution of approval.

Hon. W. B. ROSS: Do I understand that the British Government will be simply asked to take this as an expression of opinion from this Government, and put it into legal shape?

Hon. Mr. DANDURAND: I am not ready to say that my friend's contention is right. He does not affirm it himself as being right: he wants to be informed, so he is not laying down the law.

Hon. W. B. ROSS: No, I am not laying down the law. I am not the one to lay down the law. The honourable gentleman himself is our oracle: we are entitled to get responses from him, and we do. Some of them are very good ones; but I would like to know from him what we are doing about this resolution. What does it mean? Is it an expression of opinion, or is it something that will go to the British Government with a request to take the necessary legal steps to make the Convention a law? I think it is up to the honourable gentleman to give us some information on that.

Hon. Mr. LYNCH-STAUNTON: I would draw the attention of the honourable leader of the Government to the fact that the British Government never made a Treaty under the authority of this Act with any foreign Government regarding extradition of criminals. All they did was to make an arrangement, and that arrangement was crystallized in an Order in Council, and was authorized by statute of the American Government or other foreign Government. It went through the same procedure: they passed an Act of their Legislature, or else had some Order in Council-if they make such things over thereauthorized by statute. The clause which has just been read begins with the words, "Where an arrangement has been made with any foreign state," etc.

Now, there is nothing in this Act requiring that agreement to be submitted to Parliament for its approval—that is the point: we are simply inventing a new practice here. It has to be laid on the Table in the House of Parliament in England for approval. But that is not required under this Act. Why, then, should there be any approval by us?

Hon. Mr. BEIQUE: I would like to call attention to a phase of the Imperial Act to which reference has been made, which should be borne in mind. It is section 18 of chapter 5 of the Statutes of 33-34 Victoria, from which extracts have already been read:

18. If by any law or ordinance, made before or after the passing of this Act by the legislature of any British possession, provision is made for carrying into effect within such possession the surrender of fugitive criminals who are in or suspected of being in such British possession, Her Majesty may, by the Order in Council applying this Act, in the case of any foreign State, or by any subsequent order, either suspend the operation within any such British possession of this Act, or of any part thereof, so far as it relates to such foreign State, and so long as such law or ordinance continues in force there, and no longer.

There is another direction, but I need not further quote.

Then, if we refer to chapter 155 of the Revised Statutes of Canada, 1906, we find in section 4:

In the case of any foreign State with respect to which the application to the United Kingdom of the Act of the Parliament of the United Kingdom, passed in the year 1870 and intituled "An Act for amending the Law relating to the Extradition of Criminals."

-that is the Act in question-

-and any Act or Acts amending the same, is made subject to any limitation, condition, qualification or exception, etc.

Now, on referring to the Orders in Council passed in England under the Imperial Act, chapter 52 of 33-34 Victoria, I find, for instance, in the Statutes of 1902, which contain one of those Orders in Council, this:

Whereas by the Extradition Acts, 1870 to 1895, it was amongst other things enacted that, where an arrangement has been made—

Then it quotes from the Imperial Act, and after citing the Convention it goes on:

And whereas the ratifications of the said Convention were exchanged at Washington, etc.

Now, therefore, His Majesty, by and with the advice of His Privy Council, and in virtue of the authority committed to Him by the said recited Acts, doth order and it is hereby ordered that from and after the thirteenth day of July, one thousand nine hundred and one, the said Acts shall apply in the case of the United States and of the said Convention with the President of the United States of America. Provided always—

Provided always, that the operation of the said Acts shall be and remain suspended within the Dominion of Canada so long as an Act of the Parliament of Canada passed in one thousand eight hundred and eighty-six-

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—it is the Statute of 1886, which is embodied in chapter 155 to which I have referred—

-and entitled "An Act respecting the Extradition of Fugitive Criminals" shall continue in force there, and no longer.

Therefore it seems to me that the position is this. An Imperial Act was passed in 1870 applying to the British Empire at large, but with the restriction that if any of the British possessions chose to legislate for themselves, the Act would not apply to those British possessions: it would be the Act of the British possessions that would apply; and that is what has taken place. We, having passed an Act of our own, the matter is governed by the Act which was passed by us, which is chapter 155 of the Revised Statutes of Canada. Then of course the question arises, as a matter of procedure, whether the Convention was entered into regularly. The question comes up as to the mode of publishing the Convention -whether it should be by Order in Council published here or by Order in Council published in England.

Hon. W. B. ROSS: Is the Act you have just been reading from a Canadian Act or an Imperial Act?

Hon. Mr. DANDURAND: It is an Order in Council.

Hon. Mr. BEIQUE: I read from the Imperial Act to which the honourable member referred. Then I referred to our own Act which, by section 18 of the Imperial Act, is to supercede the Imperial Act so far as that is concerned. Then I referred to one of the Orders in Council which were passed in England under their Imperial Act, which I take to be the form adopted for all those Orders in Council. It appears from that Order in Council that the Imperial Act is suspended so long as the Canadian Act is in force. So it is quite clear that the matter is not governed by the Imperial Act, but is governed by the Canadian Act, that is, by Chapter 155, which commences by saying this, in Part 1, section 3:

3. In the case of any foreign state with which there is an extradition arrangement, this Part shall apply during the continuance of such arrangement.

Then, in section 4:

In the case of any foreign State with respect to which the application to the United Kingdom of the Act of the Parliament of the United Kingdom-

That is, the Act passed in 1870—then, the provisions of this Act shall not apply, but the Canadian Act applies.

Hon. W. B. ROSS: How does it bring the Convention into force according to this Can-Hon. Mr. BEIQUE. adian Act? By the statute, or by Order in Council, or publication in the Gazette?

Hon. Mr. BEIQUE: I think the Canadian Act provides for the bringing into force by Order in Council, and it could be a Canadian Order in Council.

Hon. Mr. LYNCH-STAUNTON: By an Order in Council of Canada?

Hon. Mr. BEIQUE: Of Canada. I was first under the impression that it would have to be by an Imperial Order.

Hon. W. B. ROSS: Was the Canadian Act to which the honourable gentleman referred a Canadian Act relating to extradition?

Hon. Mr. DANDURAND: Yes, chapter 155 of the Revised Statutes of 1906.

Hon. Mr. BEIQUE: The matter is rather involved, but on examining it closely I am inclined, for my part, to think that it is clearly governed by the Canadian Act, because in all the Orders in Council passed in England under the Imperial Act of 1870, or amending Acts, there is always this provision—

Provided always, that the operation of the said Acts-

-shall be and remain suspended within the Dominion of Canada so long as an Act of the Parliament of Canada passed--

—in such and such a year—I would say now, so long as chapter 155 of the Revised Statutes of Canada—

-shall continue in force there, and no longer.

That is, it puts it under the Canadian Act. Hon. W. B. ROSS: What provision is there

in the Canadian Act of Parliament for approval of it? What is the necessity for approval?

Hon. Mr. BEIQUE: I take it to be perfectly unnecessary.

Hon. Mr. DANDURAND: Bringing this Convention before Parliament for approval is a question of policy, and the Convention is before us. Honourable gentlemen will see by Article 2:

The operation of the present Convention is confined to cases in which the offences mentioned in the preceding Article having been committed in the United States or in the Dominion of Canada, the person charged with the offence is found in the Dominion of Canada or in the United States respectively.

I tried to meet the Minister of Justice, but unfortunately he was out of the city to-day. I have examined the correspondence with the British authorities concerning the supplementary extradition Convention be-

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tween the United Kingdom and the United States which came into force in 1922, but which had its origin in the preceding year. On the 17th of December, 1921, an Order in Council. P.C. 4583, was passed by the Canadian Cabinet asking His Majesty the King to name a representative to sign the Convention which permitted of the placing of the 16th offence in the list of extraditable offences: Wilful desertion, or wilful non-support of wife or dependent children. The whole correspondence between London and Canada bore on the Order in Council required to be passed by Canada in order to authorize the signature of this Convention As the American Ambassador, Mr. George Harvey, had been authorized by the United States to sign, His Majesty The King, on the Order in Council of December 1921, appointed Lord Curzon of Kedleston to sign the Convention. The Convention was signed by Lord Curzon and Ambassador Harvey on the 15th day of May, 1922, by virtue of the Canadian Order in Council passed on the 17th of December, 1921.

I find that the present Convention is practically on all fours with the terms of that Convention of 1922. Article 2 of our present Convention, which I have read, is taken word for word from Article 2 of the Convention which was signed in 1922, but authorized by our Canadian Order in Council of December 1921.

The officials of the Department of Justice had no doubt whatever as to the right of Canada to initiate the procedure by Order in Council, but they felt that the matter needed to be examined if a memorandum was to be prepared. That is why I have stated to my honourable friend that, even if his contention were true, there should be no harm in Parliament declaring that it agrees with the action of His Majesty The King in adding that 17th Clause to the extraditable offences. However, it will be for the Department of Justice to consider the discussion which has taken place and prepare a memorandum, which I shall have very great pleasure in bringing before this Chamber.

Hon. Mr. ROBERTSON: Honourable gentlemen, a child can ask a question which it takes many wise men to answer. Inadvertently I raised a question yesterday, and it has brought out a very illuminating and interesting debate. When asking the question I had in mind an incident that occurred two or three times in this House with reference to another Bill. The point had been raised that there was in this country a complaint about British subjects not Canadian citizens being deportable without trial, and it occurred to me that there was another piece of legislation in which a similar question might arise and cause a conflict of opinion, if not of jurisdiction, as between the Canadian and British Governments. I desire that we should at least try to avoid any possibility of a dispute of this sort arising, just as the honourable member from Middleton (Hon. W. B. Ross) has pointed out, and that there should be nothing but the most friendly relations between our own people and the people of the Motherland. Now, I am entirely satisfied and content with what here summed in the most of arriver.

Now, I am entirely satisfied and content with what has occurred in the way of explanation, except that I would like to ask my honourable friend from De Salaberry (Hon. Mr. Béique) about one point. Did the Imperial Order in Council which he has just read refer to a particular amendment to an extradition Treaty, or was it general in its application? If general in its application, I think we are quite safe. If it refers to a particular action or Act, I still think that the same procedure that was followed in that case would necessarily have to be followed in the present instance.

Hon. Mr. BEIQUE: I have only to repeat this, that the Imperial Order in Council putting into effect the Imperial Act of 1870 suspends its operations in any British possessions that have legislation on the subject. Thus it puts the Imperial Act of 1870 into operation only in such British possessions as have not themselves legislated. As we have legislated, it is our legislation which governs in the matter.

Under our legislation—and now I am answering the honourable member from Middleton (Hon. W. B. Ross)—Section 8 of Chapter 155 of the Revised Statutes of Canada says:

The publication in the Canada Gazette of an extradition arrangement, or an order in council, shall be evidence of such arrangement or order.

So it seems to me that publication here would be sufficient.

I must say that until this afternoon, when I looked into the matter more closely, I was under the impression, like the honourable member from Middleton, that the matter was governed entirely by the British Imperial Act; but when I saw Section 18 of the Imperial Act I changed my mind. I see that the matter is governed really by the Canadian Act.

Hon. Mr. DANDURAND: I may inform my honourable friend that the officials of the Department of Justice have told me that they

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were working in a most harmonious way with the British authorities on all these matters.

Hon. Mr. BELCOURT: May I say this, which perhaps may be a more direct answer to my honourable friend who leads on the other side (Hon. Mr. Robertson)? The Order in Council referred to in the British Act of 1870 is of general application.

Hon. Mr. ROBERTSON: That was the question.

Hon. Mr. BELCOURT: In this sense that under the law passed by Parliament in 1870, Treaties or Conventions might be entered into with different parts of the world. The publication of which my honourable friend from Middleton (Hon. W. B. Ross) speaks is the publication of an Order in Council ratifying a Convention or Agreement of some kind made with some other power. That is the Order in Council which is contemplated by the Statute of 1870, and that is the Order in Council which would ratify any particular Treaty or Convention and which would be published in the Royal Gazette. So that provision is of general application. A special disposition having been made for Canada, as explained by my honourable friend from De Salaberry (Hon. Mr. Beique), that is an entirely different thing from the general operation of the Statute, under which some special Order in Council would have to be passed to ratify any special agreement entered into with another power.

Hon. Mr. ROBERTSON: The reason I asked the question of my honourable friend from De Salaberry was that I understood him to say that the Order in Council quoted was dated 1901, and I thought it probably referred to some Convention that had been entered into just as this one is proposed to be. I thought that Order in Council referred to the particular document, and that if such was the case this document should be handled in a similar manner. If the application of the Order in Council was general, then I was quite content.

Hon. Mr. BELCOURT: There can be no question of our having to publish this Convention in the Royal Gazette. There may be a question of having to publish it in the Canada Gazette; as to that I am not sure. But it seems to me that it was never contemplated by the British Act that there should be any publication in the Royal Gazette of anything but an Imperial Order.

Hon. W. B. ROSS: What is the object of this Resolution?

Hon. Mr. DANDURAND: For the Parliament of Canada to express its approval.

Hon. Mr. ROSS: Just an opinion?

Hon. Mr. DANDURAND: Simply its approval.

Hon. Mr. ROSS: Not legislation?

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. WILLOUGHBY: I would like to move the adjournment of the debate, unless you are anxious to pass the Resolution to-day. I am satisfied with the explanation of the honourable member for De Salaberry (Hon. Mr. Béique).

Hon. Mr. DANDURAND: Then I would suggest that we pass it, because, as there is nothing left on the Order Paper for to-morrow, I intend to move the adjournment of the House till Tuesday.

Hon. Mr. WILLOUGHBY: I did arrive at the same conclusion. We were looking at it perhaps at the same time.

The Resolution was agreed to.

Hon. Mr. DANDURAND moved:

That a message be sent to the House of Commons by one of the Clerks at the table to acquaint that House that the Senate hath agreed to the said Resolution, by filling in the blank space therein with the words "Senate and."

The motion was agreed to.

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

THE SENATE

Tuesday, March 17, 1925

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

Pravers and routine proceedings.

JUDICIAL VACANCIES

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What are the dates chronologically since January 1st, 1922, that vacancies occurred in the Superior, District and County Courts of Canada?

2. On what dates respectively was each of the said vacancies filled, and who were the persons respectively appointed to fill such vacancies?

Hon. Mr. DANDURAND: The following reply is furnished by the Department of Justice: Supreme Court of Ontario:

Sutherland, J. Vacancy caused by death-May 23, 1922. Filled October 7, 1922. Appointee-R. Smith.

Meredith, C. J. Vacancy caused by death— August 21, 1923. Filled August 31, 1923. Appointee—Sir W. Mulock.

Maclaren, J. Vacancy caused by retirement —December 15, 1923. Not filled.

County Courts of Ontario:

Carleton—Gunn, J. Vacancy caused by death —January 10, 1922. Filled February 15, 1922. Appointee—J. A. Mulligan.

Victoria-McMillan, Jr. J. Vacancy caused by death-August 24, 1922. Not filled.

Wentworth—Snider, J. Vacancy caused by retirement—March 29, 1923. Filled March 29, 1923. Appointee—W. T. Evans.

Huron-Dickson, J. Vacancy caused by death-December 17, 1923. Not filled.

Northumberland and Durham—Ward, J. Vacancy caused by retirement—August 23, 1924. Filled August 23, 1924. Appointee— M. G. Cameron.

Bruce—Greig, J. Vacancy caused by retirement—January 29, 1925. Not filled.

CUSTOMS AND EXCISE INSPECTIONS MOTION FOR RETURN

Hon. Mr. TANNER inquired of the Government:

1. On what dates during 1923 and 1924 did the Chief Inspector of Custom and Excise Department visit the cities of Toronto, Montreal, Winnipeg, Quebec, Vancouver, respectively, for inspectorial purposes?

2. On what dates, during 1923 and 1924, did any assistant inspector from the Chief Inspector's office at Ottawa visit the said cities respectively for inspectorial purposes?

3. Who were the assistant inspectors who made the visits?

Hon. Mr. DANDURAND: The answer I have from the Department is: "As it will take some time to compile this information, this Inquiry should be made a motion for a return." So I would ask that it be changed accordingly.

Agreed to as a motion for a Return.

STEAMSHIP CLEARANCES

INQUIRY

Hon. Mr. TANNER inquired of the Government:

What is the number of steamships that cleared for ports outside of Canada during 1924—(a) with cargo alone; (b) with passengers alone; (c) with cargo and passengers, from Montreal, Quebec, Vancouver, Halifax and St. John respectively?

Hon. Mr. DANDURAND: As it will take some time to obtain this information, this inquiry should be changed into a motion for a return.

Hon. Mr. DANDURAND.

Hon. G. D. ROBERTSON: Honourable gentlemen, may I suggest that perhaps this step ought not to be taken in the absence of the honourable gentleman in whose name the question stands. It does not appear to me to be any more difficult to bring down the information in answer to the question, when the information becomes available, than it would be to make a return. Perhaps it is desired to remove the inquiry from the Order Paper. I would suggest that at least it should stand until to-morrow, or until the honourable member is present.

The inquiry stands.

LIQUOR SEIZURES IN NOVA SCOTIA INQUIRIES

Hon. Mr. TANNER inquired of the Government:

1. Was the Department of Customs and Excise informed of a seizure in December, 1924, at the premises of Lambert Matthews of Edwardsville, Cape Breton County, N.S., of quantities of intoxicating liquors of which D. V. Mancini claimed to be owner? 2. Did the Department intervene in the matter and

2. Did the Department intervene in the matter and take any steps to cause the release of the intoxicating liquors to the alleged owner thereof?

3. Did the Department cause the said intoxicating liquors to be released to the alleged owner, and if so, for what reasons and when?

4. What descriptions and quantities of intoxicating liquors were included in the seizure?

5. By whom and under what authority was the seizure made?

6. If the intoxicating liquors have not been released, is the matter closed or is it still under the consideration of the Department?

Hon. Mr. DANDURAND:

1. Yes.

2. Department is acting upon the seizure as provided by the Customs Act, and no steps have been taken by the Department to cause the release of the intoxicating liquors to the alleged owner thereof.

3. No.

4. 25 half octaves rum; 10 cases gin; 2 cases brandy; 32 cases whiskey; 3 bags whiskey.

5. Angus Young, under his authority as Special Officer of Customs and Excise, the charge being that the goods had been smuggled into Canada.

6. Case not yet decided.

Hon. Mr. TANNER inquired of the Government:

1. Was the Department of Customs and Excise informed of a seizure in December, 1924, of intoxicating liquors claimed by Neil M. MacDonald, hotel keeper of Reserve Mines, County of Cape Breton, N.S.?

2. Did the Department intervene in the matter and take any steps to cause the release of the intoxicating liquors to the alleged owner thereof?

3. Did the Department cause the said intoxicating liquors to be released to the alleged owner, and if so, for what reason, and when? 4. What descriptions and quantities of intoxicating liquors were included in the seizure?

5. By whom and under what authority was the seizure made?

6. If the intoxicating liquors have not been released, is the matter closed or is it still under the consideration of the Department?

Hon. Mr. DANDURAND:

1. Yes.

2. Department is acting upon the seizure as provided by the Customs Act and no steps have been taken by the Department to cause the release of the intoxicating liquors to the alleged owner thereof.

3. No.

4. 31 kegs said to contain rum; 4 cases said to contain whiskey.

5. Angus Young, under his authority as a Special Officer of Customs and Excise, the charge being that the goods had been smuggled into Canada.

6. No decision has been rendered.

Hon. Mr. TANNER inquired of the Government:

Subsequent to the periods covered in answers of the Government (Senate Hansard, June 3rd, 1924, page 354) to the present date—

(a) What is the value and quantity of intoxicating liquors entered or stored in bonded warehouses in the City of Halifax, N.S.?

(b) What is the value and quantity of intoxicating liquors in such bonded warehouses at the time mentioned and stored therein since which has been exported?

(c) To what countries were the liquors exported?

Hon. Mr. DANDURAND: I have a note asking that this be changed into a motion for a return. This may stand.

The inquiry stands.

HALIFAX BONDED WAREHOUSES

INQUIRY

Hon. Mr. TANNER inquired of the Government:

Since December 18th, 1923,-

(a) What persons or companies in the City of Halifax, N.S., have been authorized by the Department of Customs and Excise to conduct bonded warehouses for intoxicating liquors?

(b) When was each one authorized?

(c) Were such bonded warehouses approved or recommended by the Government of Nova Scotia or persons representing such government?

Hon. Mr. DANDURAND:

Name of Proprietor of Bond	Date authorized		
J. E. Morse & Co	25th Feb., 1920		
The Condran Co. Ltd			
Naval Stores Officer H. M. Dockyard Franco-Canadian 'Import	2nd May, 1921		
Co			

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Royal Mail Steam Packet

Co	12th	Feb.,	1921	
Forsyth & Davidson	30th	Oct.,	1922	
Board of Vendors Commis-				
sioners	30th	Apr.,	1921	
Furness Withy & Co. Ltd				

Atlantic Import Co. Ltd.. 27th Dec., 1923 H. B. Silver Ltd... 2nd Feb., 1924

H. R. Silver Ltd. 2n (b) Answered by (a).

(c) Yes.

THE LATE HON. SENATOR BENNETT TRIBUTES TO HIS MEMORY

Hon. Mr. DANDURAND: Honourable gentlemen, I am sorry to have to inform the Senate of the demise of one of its members: the Honourable Mr. Bennett is no more. He was with us full of life to the last day of the last Session. He was an active member of this House. He gave the greater part of his life to public affairs, having been returned to the House of Commons for the first time some 33 years ago, and from that time he sat almost continuously in that Chamber or in this one.

The Honourable Mr. Bennett was a strong, militant party man, always on the offensive, and quite often aggressive. Painstaking, he was always fully armed when he rose in this Chamber; and I may say the same thing when he rose in the Commons. It has been said of him that he belonged to a school now passing, which took its politics almost as seriously as its religion. Forceful as he always was in his denunciations, we loved him for his sincerity and his loyalty. Socially he was most affable and friendly.

It was my privilege daily to enter his room, which was next to my own, and to converse agreeably with him. He enjoyed warning me of the indictments he was soon to launch against the Government, so that I should prepare my defence. He specialized in questions of transportation, and gave much of his time to the solution of many of the problems which confront us.

We all, I am sure, sincerely regret Senator Bennett's sudden departure. To Mrs. Bennett we extend the assurance of our sorrow and of our deep sympathy.

Hon. Mr. ROBERTSON: Honourable gentlemen, in the passing of our friend the late Senator Bennett we are again reminded, as we have been so frequently of late, of the uncertainty of life and the certainty of death. For many years it has not been the case that so many members of this House have passed to another life in so short a space of time as during the past twelve months.

As has been well said, our friend Senator Bennett was a prominent, vigorous member of this Chamber, and for more than a quarter of a century-indeed, for 34 years-he has been a conspicuous figure in the public life of Canada, either in the one House or the other. He was noted for his sincerity and for the vigor with which he expressed his views; and I think it is true to say that there are few men in either House of Parliament who took the same active part in debate as did Senator Bennett, and who were more frequently correct in their statements than he. He was careful in the preparation of the matter that he submitted to the House, he was sure that his facts were right from the information that he gathered, and he always had evidence which, in his own opinion at least, supported the statements that he made.

As the leader of the Government has well said, in the passing of our friend Senator Bennett another of the old parliamentarians has gone. I notice the other day an item which stated that the late Minister of Militia, Sir Sam Hughes, the late Clerk of the House, Mr. Northrup, and our late friend Senator Bennett, with Mr. Maclean, who is still in the House of Commons, all entered public life at the same time, in 1891, and were associated together as long as they were in the Parliament of Canada. The item I mention remarked that they were of a school which appeared to be passing. If that be true, it is an observation that ought to be regarded, for I think that Canada needs vigorous, earnest, honest, aggressive men in public life to-day as much as it has needed them at any time since Confederation

I am sure I can say truthfully that on this side of the House, where we were intimately associated with Senator Bennett ever since his entry here in 1917, his passing is a matter of very sincere and deep regret. Having been associated socially with him, as well as with Mrs. Bennett, we extend to her an expression of our sympathy in her bereavement, and I am sure that all the members of our families who are so well acquainted with her would wish to join us in such expression.

CRIMINAL CODE BILL (PRINTER'S LIABILITY)

SECOND READING

Hon. Mr. PLANTA moved the second reading of Bill 3, an Act to Amend the Criminal Code (Printer's Liability).

Hon. Mr. CASGRAIN: Surely there ought to be some explanation of this Bill if it is going to involve people in a crime.

Hon. 'Mr. PLANTA: Honourable gentlemen, the objects of this Bill are very well set forth in the explanatory note printed on the Bill itself, which I will read:

In many cases, false, defamatory and libellous statements are made in papers, pamphlets and books circulated and distributed, without anything thereon to show by whom the paper is printed or who is responsible for its publication. The object of this legislation is to meet the difficulty which arises in such cases of proving printing and publication, and to provide the means of discovering the names and addresses of the person or persons responsible therefor.

This Bill is based upon and is largely a reproduction of the British statutes enacted for the same purpose, which have been in force for many years. By 2 and 3 Victoria (1839), c. 12, s. 2, every paper or book which is meant to be published or dispersed must have on it the name and address of the printer. And by 32 and 33 Vict. (1869), c. 24, s. 1, the printer must for six calendar months carefully preserve at least one copy of each paper printed by him, and write thereon the name and address of the person who employed and paid him to print it, and show the same to any justice of the peace, who, within such six calendar months, shall require to see the same.

I think that every honourable gentleman present will be able to recall instances of publication of libellous or defamatory matter, the author of which has not been known, and has therefore escaped punishment which was rightly deserved. The object of this Bill is to prevent any such publication in future. That is really all I know of the Bill.

Hon. Mr. CASGRAIN: Does the Criminal Code indicate the fine?

Hon. Mr. PLANTA: Yes, there is a penalty clause in the Bill.

Hon. Mr. DANDURAND: I may say, honourable gentlemen, that when I first glanced at this Bill I was under the impression that there was already something in the Criminal Code to the same effect; but my recollection was based on an Act dealing with the same point, but covering an electoral period only. I think there is a prohibition from printing any tract or document during election time without the name of the printer or the party responsible. I do not know how long that legislation has been on our Statute Book, but I do not see why, if it is good for that particular period, it should not be good for all time.

Hon. Mr. CASGRAIN: The honourable gentleman mentions the printer; but whom does he mean by that word? It often happens that in a printing office a man gives an order; does it mean the proprietor of the establishment or the man who did the work?

Hon. Mr. PLANTA: I should say the proprietor would be responsible for any work that comes out of the office.

Hon. Mr. DANDURAND: I think, if we look at the Act governing elections, we shall

find that it is the printer—the man who issues the document from his printing press.

Hon. W. B. ROSS: If you look at chapter 24, section 1(b) you will see that the printer has to keep a copy for six months. Now. things change more rapidly in colonies than in the old country, from which this Act seems to have come, and a man may go out of the printer business in a month. Has he to keep an office open for six months in order to keep copies, as required by the statute? It strikes me that that provision might be dispensed with as being rather onerous. I do not object to the other provision, which seems to be reasonable enough. If a man publishes any statement such as this Bill contemplates, the one who prints it should put his name to it.

Hon. Mr. McMEANS: Would it not be well to refer this Bill to a Special Committee? Before this Session is over there will probably be several amendments to the Criminal Code; this Bill might stand over and be considered with the others.

Hon. Mr. PLANTA: I am quite agreeable to the suggestion that the Bill be referred to a Special Committee for consideration.

Hon. Mr. DANDURAND: Of course, this can only take place after the second reading.

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

Hon. Mr. PLANTA: I move that the Bill be referred to a Special Committee consisting of the following honourable members: Hon. Messieurs Dandurand, Pardee, Ross (Middleton), Belcourt, Beaubien, McMeans, Willoughby and the mover.

The motion was agreed to.

THE LEAGUE OF NATIONS PROTOCOL MOTION FOR RETURN

The Senate resumed from March 12 the adjourned debate on the motion by the Right Hon. Sir George E. Foster:

That an humble address be presented to His Excellency the Governor General; praying that His Excellency will cause to be laid before the Senate a copy of the Geneva Protocol, of the report thereon submitted by the committees of the fifth Assembly of the League of Nations, and of the proceedings of the said Assembly detailing the discussion and action taken in regard thereto, and copies of all correspondence between the Government of Canada and the Government of Great Britain or any members thereof, in relation thereto.

Hon. PASCAL POIRIER: Honourable gentlemen, heretofore the slogan has been: "Who won the war?" Henceforth the slogan will be: "Who killed the peace?" Several nations have laid claim to having contributed

Hon. Mr. DANDURAND.

particularly to the winning of the war, although the victory was the result of the combination of practically the whole world. France has claimed that she won practically alone the Battle of the Marne, and that for a whole year she alone stood between Germany and the rest of the world. England, with equal truth, said that the war could not have been won but for her mighty fleet keeping guard over the seas of the world, culminating in the Battle and the Victory of Jutland. The United States claimed that her coming in at the eleventh hour with a couple of millions or more of men, and as many billions of dollars, crushed down a tired foe. All this is true, but no nation can claim for itself the glory of having won the war.

But apparently to one nation particularly will be attributed the killing of the Peace Protocol. That nation to all appearance is Canaoz. At least, we learn from newspaper reports that it was Canada, followed by Australia, New Zealand, South Africa and India. that determined the attitude taken by the British Government on that question. Mr. Austen Chamberlain himself has acknowledged it.

Of course, there are other reasons. The Secretary of Foreign Affairs for England had to allege some reasons of his own, and he did; but in my estimation those reasons are not overwhelming in weight. For instance, one of the reasons he gives why the British Government is opposed to the Protocol is that all the advantages will accrue to the aggressive nation, having chosen its ground for assault, if the Council of Nations calls Once a halt is called every nation a halt. has to remain in the position she occupies. I do not see in what better position the attacking nation would be after forty-eight hours, or four or five days.

Another reason that he gives seems to me no more weighty. It is that the British fleet would be at a disadvantage in having to wait until the aggressor had been designated. I see nothing in that. The British fleet could not be expected to run blindly into war, right and left, without knowing who the aggressor was; and nobody in the world is better fitted to determine who is the aggressor than is the Council of Nations, which is on the look-out and which possesses information that no other body has got.

Those arguments of Mr. Austen Chamberlain seem to me to show that the British Cabinet had no argument of any weight, or else was concealing the real reason for taking the position which it did. Ostensibly it is because Canada and the other colonies pronounced against the Protocol. Canada is the premier among English Colonies, and it looks to me as though she had taken the lead, and the other colonies had simply seconded her.

Hon. Mr. DANDURAND: Would my honourable friend allow me to read again a statement that I made on the 12th of March, which he may not have heard. I said, at page 133 of Hansard:

I do not know anything as to the action of the sister Dominions; but I may make this statement, that Great Britain was not in the least degree influenced by the Dominion of Canada in determining its course in this matter.

Hon. Mr. POIRIER: I do not deny that the honourable the Leader of the Government did say so, but Mr. Chamberlain says something to the contrary.

Hon. Mr. DANDURAND: I doubt that very much.

Hon. Mr. POIRIER: We know of the speech of Mr. Chamberlain from the newspapers, and the despatches, especially those in the Star—and I have read them in other newspapers—distinctly mention the colonies as taking a stand against which England was not prepared to go. Of course, Mr. Chamberlain did not say that the Baldwin Government was taking that stand because Ramsay MacDonald took the opposite position. It may not have been so; on that question there is no public utterance; but there is the public utterance that England has taken her present stand because of the attitude of the colonies.

I do not believe that Chamberlain, the hero of Birmingham, and Beaconsfield and Gladstone would feel very proud of their successor at the Foreign Affairs. In this instance the Foreign Secretary looks to me—and I say it with due respect—like the Irish general who was found running away with his routed battalion, and who upon being asked why he was running away answered: "I am their leader, therefore I have got to follow them." England, which is the leader of its colonies, is following their lead, to all appearances determined by the attitude of Canada. I said Canada—I should have said the Government of Canada.

Hon. Mr. DANDURAND: Under the rules of this House, I presume my honourable friend is obliged to accept my statement.

Hon. Mr. POIRIER: I did accept the statement, and I repeat the acceptance of it; but as against that statement I say there is the statement of Austen Chamberlain.

Hon. Mr. DANDURAND: I may say that I make it officially.

Hon. Mr. POIRIER: Then, to put it mildly, someone is in error. I said Canada; I should have said the Government of Canada. All this business was done without consulting Canada or its Parliament now assembled. I claim that this House and the other House had a right to be consulted in this most momentous affair.

Honourable gentlemen, you are aware, as I am, that one of the reasons why the Protocol was opposed by both Governments was the fear that Canada might not be consulted, and might be dragged, as it were, into a war without having given assent to it. Both Governments claimed the necessity of consulting Parliament before going into a new war. Now, what has this Government done? It has bound Canada in such a way that in the future we may be dragged unwittingly into not one, but all wars. I say again that we should have been consulted—that the Prime Minister is not as completely the official voice of Canada as he would have been if both Houses had been consulted.

The attitude of Canada in all this business strikes me as most peculiar. Canada was admitted as one of the fifty-four members of the League of Nations, as an independent sovereign nation, which it is not. It was admitted through tolerance. England insisted because Canada insisted, and the other nations yielded, in order to have universal harmony. France claimed that her colonies had as much right to be represented in the Assembly of Nations as had the colonies of England, but she yielded for the sake of peace. Of all the nations of the world England is the only one which, besides her own vote, has the votes of four colonies, which makes her four times as powerful as any other nation in the Assembly of Nations.

What was the attitude of Canada when the Covenant of the League of Nations was discussed? There is a saying that young men in an assembly of older men should be seen and not heard. Just the reverse: Canada was hardly seen, but was very often heard. It was heard when Mr. Fielding, the Minister of Finance, moved, seconded by Mr. Lapointe, that Article 10 be referred to a Committee for the purpose of having it explained. Article 10 is in clear English, and in lucid French; but that proposition had the effect of showing that the premier Colony of Great Britain, and by implication the other Colonies, and possibly England herself, were unfavourable to Article 10.

What did the other party do? It went one better. Judge Doherty moved simply for the cancellation of Article 10. The Covenant of the League of Nations without Article 10 would be much the same as a man minus his heart. Article 10 could stand by itself: the building could be erected around it. Pluck out from the Covenant Article 10 and the whole Covenant falls to naught. That was a strange attitude for Canada to take. Honourable gentlemen will remark that I am making no partisan affair of this. The whole of it culminated in the despatch of our Premier, which had the effect we all know.

There is a misconception about the Covenant of the League of Nations. Some people have said-it has been stated in this Housethat the apparent purpose of the Protocol was the stirring up of wars. An eminent British statesman, who apparently has run amuck, has so stated in the press of the world. Consequently public opinion is misled about this affair. It is monstrous, honourable gentlemen, to say that 54 nations who have shed their blood in the war, some of whom are left with millions of widows and more millions of orphans, and all of whom save one have gone bankrupt, would unite to foster future wars. I say, honourable gentlemen, that such allegations are not only mischievous, but criminal.

The League of Nations is not the Treaty of Versailles. It is a thing absolutely different. It was born of the victory, but it has nothing to do with the Treaty. It has come into existence simply from the fact that the whole world had just seen the horrors of war, had realized that war is really hell, and the nations felt that they were perhaps in a position to unite for the peace of the world, as they had united for victory. That is the reason for the formation and existence of the League of Nations.

That League has constituted the Assembly of Nations. We have a Council of Nations; we have a Council of Ambassadors; we have a Secretariat. All work harmoniously together for the same purpose, because the Assembly and the Councils emanate from the same nations, who are all desirous of maintaining peace. They all work harmoniously together because, although grouped differently, they are actually one. It is self-evident that peace is the object of all these assemblies or councils.

Of what is the Assembly of Nations composed? It comprises three members from each of those 54 nations, one representative alone having a vote, the other two standing by to give counsel and having the privilege, as we have in our committees here, of taking Hon, Mr. POIRIER. part in the discussions. All the nations are represented.

Then there is the Council of Nations. It has nothing in opposition to the other institution. The Council of Nations, as you are aware, is composed of four permanent Members. There were originally five, but the seat for the United States is vacant. To these four permanent Members are added four representatives of the minor nations. The four permanent nations are England, France, Italy and Japan—an imposing array. I do not know exactly who the other four are—

Hon. Mr. DANDURAND: The number of elected members of the Council has been increased to six.

Hon. Mr. POIRIER: But I am talking of the original formation. There were five at first, but only four remained when the United States withdrew. The first nominated ones were, I believe, Belgium, Spain, Brazil, and China. Different nominations have since been made, and, as my honourable friend says, the number has been increased. Those eight nations stand on an equal footing, so equal that they must be unanimous in order to carry anything. Unanimity is found only when justice is meted out. The smallest of those nations, if it put on its veto, could paralyse the greatest nation in the world; but it does not do so, because the bigger as well as the smaller nations have only one object, peace, and what they decide upon must be evidently right, true, useful, humane. Can anyone, in the face of this, say that these powerful organizations have been made for the purpose of war?

No. The Peace Covenant was made possible only through the union of the World War, which left ten millions of dead, thirty millions of wounded, and called to arms seventy million men. Such an attempt at peace had been made before in the Amphictyonic League. The Greeks put the idea into practice as far as Grecian colonies were concerned. The Crusades were the union of the Christian nations against the infidels. Henry IV made a similar attempt. The Hague Convention was an attempt at a League of Nations, but such an attempt could not be successful before the late war. That was the opportunity, and advantage was taken of it. The foremost nation that is found butting its head against the League and, as it were, throwing a monkey wrench into the ma-chinery, is Canada. That is nothing for us to be proud of, honourable gentlemen. I am not proud of the delegates we sent overseas, either from one Government or from the other.

What is the situation now? Several solutions are propounded. Everyone desires peace, but it is apparent, as I have said, that some have impeded the establishment of universal peace. What schemes have been proposed as equivalent to the League of Nations? In England the proposals are: an alliance between England, France and Belgium; a pact between England, France, Belgium, Italy and Germany; and Colonel Amery's isolation scheme. None of these plans is in my opinion a real solution. An alliance between England, France and Belgium would certainly be a very powerful one. But it would be a reversion to the old order of things, which existed from the beginning of the world-

Hon. Mr. CASGRAIN: And will exist.

Hon. Mr. POIRIER: And which has had mischievous results every time. The pact including Germany would in my estimation be weaker than the first, because three honest and true men joined together are stronger than five when the word of one of the five is equivalent to a scrap of paper. Then there is the isolation policy. Honourable gentlemen, there is no such thing possible to-day as isolation for any country in the world. Since the invention of submarines, with aerial warfare, isolation of any kind, not to say the splendid isolation in which England stood before the war, is practically impossible—why? The Strait that separates England and France has become -and here I use the words of Austen Chamberlain-a mere ditch. Protection for England requires that a victorious enemy on the Continent be prevented from reaching Once at Calais, that enemy is in Calais. England. The range of cannon is such that it can put a barrage on the opposite coast. With mines a fleet can be absolutely immobilized, and with aerial weapons England can be invaded. England is no longer isolated. It is to all intents and purposes a European Gibraltar. Gibralnation. It possesses tar is in Europe, and England is at Gibraltar, and very much at Gibraltar. What about the Suez Canal? The Suez Canal is essential for the preservation of India. All this means that England is no longer isolated.

Are we isolated? Not at all, honourable gentlemen. If England were at war and in danger, we also would be at war and in great danger, and we would hasten to the help of the Mother Country, like cubs at the calling of a lion. You all remember the talk about parliament sanctioning the sending of troops. You all remember the South African war. England was in no danger in the South African

War. Many Englishmen, and some of the foremost, publicly declared that it was an unjust war. Many men on this continent thought and said the same. England was in no wise in danger. When the call was made to Canada for assistance, Sir Wilfrid Laurier, who was then in power, said, "We must consult Parliament." Was Parliament consulted? There was a cyclonic wave that carried everything before it, and we sent soldiers to South Africa before consulting Parliament, and the Government of Sir Wilfrid Laurier, which was in the height of its power at the time, would have been swept out of existence if it had refused. Canada wanted to fight because England was fighting.

The same thing would happen to-day, honourable gentlemen. If England were at war, and seriously threatened, there would be no time for Parliament to intervene. Suppose the Government then in power should stoop down to consult Parliament, Canada would not tarry: we would rush to the help of England. There is no such thing as isolation, either of individuals or of nations. Man was created to be sociable, and countries also must be sociable.

Now the Protocol is as good as dead. It was referred to the Assembly of Nations. It may be resuscitated in some form, but it will not be in the form in which it was presented. I am not a prophet or a seer, or the son of a prophet, but I have eyes that sometimes in the evening look at the clear sky for any omen in the heavens by which I can surmise what is likely to be the weather of tomorrow. Now let us look in the sky; what do we see? We see Japan forming an alliance with Russia. It is not a love-feast; there is no love lost between those two countries since their war. What is the object of that mysterious arrangement? Russia, not belonging to the League of Nations, can form an alliance without divulging its conditions. What is the object of that alliance? Is it against China? China is a tool in their hands.

The same signs that were visible, but were not observed, prior to the Great War, are partly visible now. Very few in England and few in France believed that Germany was preparing for war. The foremost statesman in England, King Edward, saw clearly and warned his Cabinet and the nation to be prepared, and went out of his way in preparing the alliance with France, without which alliance Germany might have been victorious against the world. That identical process is going on in the Far East. When the first news of that treaty came to us it was accompanied with the statement that Russia was binding itself to loan to Japan 200,000 men. But Japan needs no 200,000 men, no men at all, for Japan is allpowerful, and China, the only neighbouring nation, is quite impotent. Against whom would those 200,000 men be sent by Japan? To-day China stands under the influence of Japan and Russia, and any day that those two nations will it, China will fall in line with them.

Two years ago, honourable gentlemen, we were passing a series of agreements entered into by the United States and England for naval disarmament, for abstention from the use of poisonous gas in war, and for the security and stability of insular possessions in the Pacific Ocean. Japan had fixed a limit of 10 years as far as island possessions, colonial possessions, were concerned. Why 10 years?

Now let us put these all together. Let me read from a newspaper that just comes from the Council of Nations:

At a private meeting Geneva delegates last night considered startling information to the effect that Asia is looming up as a market for rifles, guns and munitions, which are being turned out in such quantities as to suggest that more than platonic compacts are needed to prevent certain nations from going into war.

They have been considering startling information. They must have been made aware of news that we know not here.

As I said, I am no prophet or seer, but I can look at the sky and see the formation of an ugly nucleus portending a storm tomorrow. To me that combination is against America. It cannot, geographically or in any other way, be against any other nation. But why against Canada? Many are the reasons, and you all know these reasons. You know that the public conscience of Japan has been hurt by certain laws concerning immigration that have been passed by the United States. We in Canada will not admit Japanese or Chinamen to come in and settle freely. China has memories—that the trade in opium was once forced upon her, that Pekin, the Holy City, was once desecrated and plundered by a combination of nations, and that a goodly number of the belligerents passed through by our Intercolonial Railway. That combination, which cannot be ignored, is directed against the United States and Canada. It is noticeable that Japan stood by Canada in almost all the objections that Canada made, but with this difference, that with a finer hand she made a reservation here and a reservation there. Canada also had reservations, but our chief reservation was in reference to Article 10. The reservations of Japan were Hon. Mr. POIRIER.

more delicate. Even in the Protocol Japan stood not absolutely against it, but she continued making reservations, thus rendering the position of Canada stronger.

Honourable gentlemen, nothing prevents the formation of a stupendous fleet on that side of the Pacific. By the Washington Treaty, which we ratified here, England limits her fleet: she is allowed to have a tonnage of 525,000 tons. The United States is allowed the same tonnage. As we are part of the British nation, our interest stands with the British, and the United States stands with Britain; therefore Britain is no longer paramount. But Japan is allowed 325,000 tonnage. Nothing is said of China, therefore China can build any fleet she chooses. Russia is free, and is a power bordering on the Pacific Ocean. What could prevent Russia ordering the building of a fleet from Japan. They have as clever shipbuilders in Japan as there are in any part of the world. Unit for unit, as was proved in the naval battle against Russia, the Japanese are as well equipped as any nation in the world. Let Russia order the building of 25 of the most modern boats, and the two nations allied against America will have nearly 800,000 tonnage. Then. what would be the matter with China? China can go on and build also. Within 10 years it is possible that an array of battle ships would be looming on the other side of the Pacific directed against the United States and Canada. The United States cannot build more than its quota-half a million or so. We all know what Canada is doing in the way of building ships.

What will be our position? When England is at war we are at war, because we are a colony. But when we are at war England is not necessarily at war. The same moral obligation binds England to us that binds us to England, but England, if there is any great danger, may simply drop us. And why not? We are a free nation—we pretend at least to be.

Then, Canada and the United States will stand against the array of those three powerful nations whose combined population is nearly that of half of the world; whose resources are unlimited; who need fear no attack from the West. Then, honourable gentlemen, the United States will need all the billions of dollars that she has stored. Mind, I am not talking against the United States; my sentiment is favourable to the United States; I am a friend of the United States; but I fear that the United States is the primary cause of the failure of the League of Nations, seconded by Canada.

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Honourable gentlemen, if all this should happen, we would call upon the mountains to shelter us, because if England stands aside we shall not be sheltered. Japan and that combination would go through all the obstacles we could put in the way in British Columbia, and because of the victory of the combined nations they would overwhelm the land.

I hope and pray, honourable gentlemen, that we shall never rue the message that our own Mr. King sent to the League of Nations, and to which is attributed the crumbling of that mighty, that glorious, that holy edifice which was being erected, as it were, at the bidding of Him who said, "Peace unto men of good will."

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

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

THE SENATE

Wednesday, March 18, 1925.

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST READING

Bill B, an Act for the relief of Jessie Louise Cowan.—Hon. W. B. Ross.

LIEUT.-COL. ERIC MACDONALD

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Was Lieut.-Colonel Eric MacDonald, D.S.O., M.C.. an applicant in 1924 or since for a position as Inspector of Penitentiaries?

2. Was he recommended for appointment to such office and if so on what date?

3. Did his recommendation or appointment appear in the Canada Gazette; and if so, on what date?

4. Has he filled the position; and, if so, when and for how long?

5. What is the salary of such office?

Hon. Mr. DANDURAND: Stand.

Hon. Mr. TANNER: I should like to call the attention of my honourable friend to the fact that my questions have been on the Order Paper now for over a month. They are very simple questions and very easily answered. I find no fault with my honourable friend in this matter, because I know he would bring down the answers if they were supplied to him. Perhaps he will be good enough to remind the persons responsible for them that a great deal of time has passed since the inquiries were placed on the Order Paper.

Hon. Mr. DANDURAND: I may inform my honourable friend that some two or three weeks ago, before the last adjournment, I saw the Minister of Justice, because I thought this matter came under his supervision. I asked him why I was not getting an answer, stating that I wanted to clear the Order Paper. He looked at the question and said: "Well, you should have had an answer by now." I have not been able to see him since; but this morning I telephoned his Deputy and asked why I had not received the answer. He looked at the Order Paper and said: "Has not the Civil Service Commission answered the question?"

Hon. Mr. SCHAFFNER: Passing the buck.

Hon. Mr. DANDURAND: I said: "No, it has not. Will you kindly take a note of it and see that the Civil Service Commission or some other department answers the question?" He said he would take up the matter.

Hon. Mr. TANNER: Perhaps we may hope to catch up with it by the 21st of April.

Hon. Mr. DANDURAND: By the 1st of April.

The inquiry stands.

STEAMSHIP CLEARANCES

MOTION FOR RETURN

Hon. Mr. TANNER inquired of the Government:

What is the number of steamships that cleared for ports outside of Canada during 1924—(a) with cargo alone; (b) with passengers alone; (c) with cargo and passengers, from Montreal, Quebec, Vancouver, Halifax and St. John respectively?

Hon. Mr. DANDURAND: It has been suggested to me that this should be transformed into an Order for a Return.

Hon. Mr. TANNER: I have no objection to moving that it be passed as an Order for a Return.

Agreed to as a motion for a Return.

LIQUORS IN HALIFAX BONDED WAREHOUSES

INQUIRY

Hon. Mr. TANNER inquired of the Government: Subsequent to the periods covered in answers of the Government, Senate Hansard, June 3rd, 1924, page 354 --to the present date-

(a) What is the value and quantity of intoxicating liquors entered or stored in bonded warehouses in the City of Halifax, N.S.?

(b) What is the value and quantity of intoxicating liquors in such bonded warehouses at the time mentioned and stored therein since which has been exported?

(c) To what countries were the liquors exported?

Hon. Mr. DANDURAND: I would suggest to my honourable friend that this inquiry be dealt with in the same way as the previous one.

Hon. Mr. TANNER: I do not think there is really any reason for converting this inquiry into an Order for a Return. Last year I asked similar questions covering the whole period from 1921 to 1924, and the answer came down within ten days. This inquiry relates to only a few months, and it has been on the Order Paper for ten days. I should prefer that it stand as an inquiry, and I can see no reason why it should not be answered.

Hon. Mr. DANDURAND: I can only act according to the documents which I have. The answer that came from the Department —it is not from the Minister, because just now he is away because of sickness—is:

This information has to be obtained from the port. This inquiry should be made in the form of a return.

I am reading, parrot-like, what is put into my hands. I will endeavour to get an answer by the 21st of April, although I suppose a Return would reach this Chamber as soon as an answer to the inquiry. However, I am in the hands of my honourable friend.

Hon. Mr. TANNER: I am pointing out that last year they were able to give all the details for four years. Now I am asking for information covering a period of less than one year.

Hon. Mr. DANDURAND: Very well, we will leave the inquiry on the Order Parer.

The inquiry stands.

PRIVATE BILLS

RETURN OF FEES

Hon. Mr. STANFIELD moved:

That the fees paid during the last Session on the Bill intituled, "An Act to amend the Act to Incorporate the Board of the Presbyterian College," be refunded to the petitioners, less the cost of printing and translating.

He said: Honourable gentlemen, this motion has reference to a Bill that passed the House of Commons and the Senate last year, relating to the Presbyterian College at Halifax, which educates students for ministers of the

Hon. Mr. TANNER.

Presbyterian Church. Unfortunately the promoters of the Bill did not ask for a refund of the fees. I understand it has always been the custom of the Senate to refund, less the cost of translating and printing, the fees on Bills relating to religious and charitable institutions.

The motion was agreed to.

DIVORCE BILL

THIRD READING

Hon. Mr. WILLOUGHBY moved the third reading of Bill A, an Act to correct a clerical error in Chapter 166 of the Statutes of 1924, intituled: "An Act for the relief of James Henry Kirkwood."

Hon. Mr. DANDURAND: I suppose the record will be sufficiently complete to satisfy the House of Commons, because practically this has an important bearing on the Statute itself.

Hon. Mr. WILLOUGHBY: I can assure the honourable gentleman that the Clerk of the Committee has extended the record in full in such a way that it will be satisfactory to anybody. He shows that it is clearly a clerical error, and details the steps he took to correct it. As a matter of fact, the man wanted to re-marry, and found that he could not get a certificate from the Registrar General in Toronto, and the Clerk of the Committee went up there and satisfied the Registrar General as to the facts. That is all spread upon the record.

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

APPROPRIATION BILL No. 1.

FIRST READING

A message was received from the House of Commons with Bill 28, an Act for granting to His Majesty certain sums of money for the Public Service of the financial year ending 31st March, 1926.

The Bill was read the first time.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill. He said: Honourable gentlemen, the Estimates of expenditure for next year are now in the hands of the members of this Chamber, by which they will see that the sum provided for in this Bill, \$31,409,-846.82, represents one-sixth to be voted of each of the various items for the fiscal year ending March 31, 1926.

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The Bill provides that a detailed account of the sums expended under the authority of this Act shall be laid before the House of Commons of Canada during the first fifteen days of the then next Session of Parliament.

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

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

THIRD READING

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

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

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

THE SENATE

Thursday, March 19, 1925.

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 Hon. F. A. Anglin, acting as Deputy of the Governor General, would proceed to the Senate Chamber this afternoon at 3.15 o'clock for the purpose of giving the Royal Assent to a certain 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 certain sums of money for the Public Service of the financial year ending the 31st March, 1926.

The House of Commons withdrew.

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

The sitting was resumed.

APPOINTMENT OF LIEUT.-COL. ERIC MACDONALD

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Was Lieut.-Colonel Eric MacDonald, D.S.O., M.C., an applicant in 1924 or since for a position as Inspector of Penitentiaries?

2. Was he recommended for appointment to such office and if so on what date?

3. Did his recommendation or appointment appear in the Canada Gazette; and if so, on what date? 4. Has he filled the position; and if so, when and

for how long?

5. What is the salary of such office?

Hon. Mr. DANDURAND:

1. Yes.

2. (a) Yes.

(b) August 7th, 1924.

3. (a) Yes.

(b) October 18th, 1924.

4. No.

5. \$2,820-\$3,300.

I may add that I am just in receipt of a letter from the Secretary of the Civil Service Commission, who noticed that yesterday I mentioned, in answer to this inquiry, that the matter had been referred for answer to the Civil Service Commission. Mr. Foran says that he is unable to understand how it is that his answer has not reached my hands, as on March 12th a requisition came from the Secretary of State for the information desired, and it was furnished within a couple of hours.

I make this statement in order to free the Civil Service Commission from a charge of dilatoriness in its work.

Right Hon. Sir GEORGE E. FOSTER: Has the right honourable gentleman nothing to say about the medium which caused the delay?

Hon. Mr. DANDURAND: My information does not go further.

CANTEEN FUNDS

MOTION FOR RETURN

Hon. Mr. GRIESBACH moved:

That an Order of the Senate do issue for a return to include:--

(a) A copy of the Order in Council P.C. 3887, of the 12th of October, 1921, whereby the sum of \$120,000 was authorized to be paid from the Canteen Funds to J. W. Margeson, T. O. Cox and W. C. Arnold, as trustees for distribution among organizations of ex-service men.

(b) A statement showing how the said sum, or any portion thereof, was expended.

(c) Copies of all correspondence passing between the trustees and any Department of the Government, and the trustees and any organizations of ex-service men.

DISABLEMENT FUND

MOTION FOR RETURN

Hon. Mr. GRIESBACH moved:

That an Order of the Senate do issue for a return to include copies of :--

(a) The deed of trust or any letter, document, paper, writing, Order in Council or other written record which sets out, affects, bears upon or relates to the creation of a trust in connection with the fund commonly known as the Disablement Fund.

(b) A statement of the said fund, showing receipts and expenditures from its inception until the present time.

(c) Copies of all correspondence including statements of expenditures of money passing between the trustee and any Veterans' organizations to whom any sums of money have been paid since the inception of the said fund.

ADJOURNMENT OF THE SENATE

Hon. Mr. DANDURAND: Honourable gentiemen, it will be seen that we have exhausted our Order Paper, and that there is nothing for to-morrow or the following days on the Paper.

I have had to take notice of the official information which was given to the House of Commons, that after the present debate on ocean freight rates the Budget would be brought down, with the hope that it would be disposed of before Easter. As it is quite evident that no legislation will come here between now and Easter, I beg leave to move that when the Senate adjourns this day it stand adjourned until Tuesday, the 21st of April, at 8 p.m.

Hon. Mr. ROBERTSON: Honourable gentlemen, with reference to the observation and motion of my honourable friend the leader of the Government, while we concur, with some regret, in his motion, I think it is only proper that we should ask him again to use his good offices to see that there is a substantial programme of business ready for the attention of this House when we meet again. It occurs to me that if this should not be the case, the situation will have to be officially recognized, and the attention of the other Chamber called to the existing conditions, as I think it is very undesirable that they should continue.

The motion was agreed to.

The Senate adjourned until Tuesday, April 21, at 8 p.m.

Hon. Mr. GRIESBACH.

THE SENATE

Tuesday, April 21, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill C, an Act for the Relief of George Thomas Grigor.—Hon. W. B. Ross.

Bill D, an Act for the Relief of Ethel May Sherriff.—Hon. Mr. Haydon.

Bill E, an Act for the Relief of Max Arno Frind.—Hon. Mr. Haydon.

Bill G, an Act for the Relief of Elizabeth Burns.—Hon. Mr. McCall.

Bill H, an Act for the Relief of Fred Herdman Ogden.—Hon. Mr. McCall.

Bill I, an Act for the Relief of Marion Gooderham Smith.—Hon. Sir Edward Kemp.

Bill J, an Act for the Relief of Edith Marie Wiles.—Hon. Mr. Robertson.

Bill K, an Act for the Relief of Annie Kate Winch.—Hon. Mr. Green.

Bill L, an Act for the Relief of Florence Kate Coutts.—Hon. Mr. Green.

Bill M, an Act for the Relief of George Kerr Jess.—Hon. Mr. Green.

SECOND READING

Bill B, an Act for the relief of Jessie Louise Cowan.—Hon. W. B. Ross.

DISABLEMENT FUND

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. Is Mr. E. H. Scammell, Assistant Deputy Minister of the Department of Soldiers' Civil Re-establishment, the trustee of a fund known as the Disablement Fund, and, if so,

2. Upon what date and in what amount did the said fund come into his possession? and, if so,

3. From what source did the fund come?

4. Is there a trust deed, document, letter, Order in Council, any paper, writing or written record setting out the nature of the said trust?

5. By what sums, if any, and from what source has the said fund been augmented since coming into the hands of the trustee?

6. Has the trustee paid out from the said fund any sums of money to any Veterans' Organizations; and, if so,

(a) To what persons, corporations or organizations?

(b) On what dates have such payments been made?(c) In what amounts?

(d) For what purposes?

(e) By what authority?

7. Did the Government authorize the trustee by Order in Council to loan the sum of \$15,000 from this fund to the Dominion Veterans' Alliance, and, if so, 8. (a) Did the Dominion Veterans' Alliance apply for

(b) Did the Dominion Veterans' Alliance actually re-

ceive the said sum? if not, (c) Who did?

9. Is the Government aware that the Dominion Veterans' Alliance allege,

(a) That they never applied for such a loan?

(b) Never received the said sum?

10. When the trustee paid over the sum of \$15,000 or any part thereof to the person or persons who received from him the cheque or cheques, did he require the recipient or recipients to submit a statement in writing of the expenditure of the said sum or sums of money, and, if so,

(b) Has the said statement been received?

11. To whom does the Government propose to look for the return of the said sum?

Hon. Mr. DANDURAND:

1. Yes.

2. October, 1915; \$25,000.00, being the first contribution of Mr. James Carruthers, Montreal.

3. Answered by No. 2.

4. There is no trust deed, but the nature of the trust has been set out in writing.

5.

(a) From Mr. James Carruthers, Montreal: \$75,000.00; of this sum \$35,000.00 was subsequently paid over to the Canadian National Institute for the Blind at the request of the late Mr. Carruthers;

(b) By voluntary contributions received from about fifty subscribers: \$28,708.70.

6. Yes:

(a) To The Great War Veterans' Association:

(b) (1) May 1923; (2) June 1924.

(c) (1) \$5,000 (Repaid from Vote 543, 1923-24); (2) \$5,000.

(a) To The Dominion Veterans' Alliance:

(b) (3) Oct. 2, 1924; (4) Jan. 5, 1925.

(c) (3) \$5,000; (4) \$5,000.

(d) (1) To assist in paying cost of gathering evidence and presenting certain cases before the Parliamentary Committee, The Royal Commission, and The Board of Pension Commissioners for Canada.

(2) (3) and (4) for the maintenance of an Adjustment Bureau.

(e) That of the trustee.

7. No: but an Order-in-Council of the 16th September, 1924 (P.C. 1596) provided: "That the trustees who may be appointed after the passage of the Canteens Fund Bill at the next Session of Parliament be requested to reimburse the Disablement Fund the amount of \$15,000 out of any moneys transferred to such trustees." 8.

(a) Application was made by Mr. C. G. MacNeil, an officer of the Great War Veterans' Association and the Dominion Veterans' Alliance, as the representative of all exservice men's organizations.

(b) Cheques for the first two amounts were made payable to the Great War Veterans' Association; the remainder were payable to the Dominion Veterans' Alliance.

(c) Answered by (b).

9. No information.

10. Payments made in October and January were accompanied by letters requiring the recipients to submit an itemized statement of disbursements, "as soon as the full amount has been expended."

(b) No.

11. Answered by No. 7.

CANTEEN FUND

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. What was the amount of money commonly called the Canteen Fund when the sum was paid into the Government of Canada and upon what date?

2. In what sums of money and on what dates and by what means, or from what sources has the said Fund been augmented since its receipt by the Government of Canada?

3. What sums of money have been paid out from the said Fund?

(a) To what persons, corporations or organizations?(b) On what dates have such payments been made?

(c) In what amounts?

(d) For what purposes?

(e) By what authority?

4. If sums of money have been paid to Veterans' Organizations from the Canteen Fund, upon what basis as to amounts and upon what information was such distribution made?

5. What steps has the Government taken to satisfy itself and ex-members of the Canadian Expeditionary Force that sums of money paid out from this Fund to Veterans' Organizations have been disbursed by them in accordance with the answer to question 3 (d) above?

6. If sums of money have been paid out from this Fund to Veterans' Organizations and have not been disbursed by them in accordance with the answer to question 3 (d) above, what steps does the Government intend to take to recover the said sums, or to ensure the proper application of these funds by Veterans' Organizations in accordance with the answer to question 3 (d) above?

7. What is the present amount of the Canteen Fund?

Hon. Mr. DANDURAND:

1. A complete statement of the fund known as the Canteen Fund, showing the source from which the money was obtained and the dates of payments to the Government of Canada, as well as the disbursements up to June 30, 1924, is contained in the Final Report of the Royal Commission on Pensions

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REVISED EDITION

and Re-Establishment, which was printed as Sessional Paper 203A of 1924.

2. Since the publication of the said Sessional Paper the Department of Finance has credited the following amounts as interest:

(a) Interest due April 22, 1924. \$ 6,250 (b) Interest due October 29, 1924. \$ 6.250

0) interest due October 29, 1924. \$ 0,200

Total.. \$12,500

3. No payments have been made in addition to those reported in the said Sessional Paper, which shows the authority for every disbursement.

4. Payments to Veterans' Organizations were made under authority of the following Orders-in-Council: P.C. 2378 of July 5, 1921; P.C. 3519 of September 21, 1921; P.C. 3647 of September 24, 1921, and P.C. 3887 of October 12, 1921. The Government is not in possession of any information showing the basis upon which distribution was determined other than that set forth in the said Ordersin-Council, all of which were published in the said Sessional Papers.

5. The Government has no reason to suppose that the Boards of Trustees appointed by the late Government under authority of the Orders-in-Council referred to, were negligent in the discharge of the responsibility placed upon them by the terms of the said Orders-in-Council.

6. Answered by No. 5.

7. \$2,154,747.02; including Bonds, Dominion of Canada Refunding Loan, 1943, shown at purchase price, \$245,625.00.

BONDED WAREHOUSES IN HALIFAX INQUIRY

Hon. Mr. TANNER inquired of the Government:

Subsequent to the periods covered in answers of the Government, Senate Hansard, June 3rd, 1924, page 354 --to the present date--

(a) What is the value and quantity of intoxicating tiquors entered or stored in bonded warehouses in the City of Halifax, N.S.?

(b) What is the value and quantity of intoxicating liquors in such bonded warehouses at the time mentioned and stored therein since which has been ex. ported?

(c) To what countries were the liquors exported?

Hon. Mr. DANDURAND:

- (a) Value..... \$1,420,023 Quantity.... 110,107 P.G.
- (b) Value..... \$ 945,925 Quantity..... 64,204 P.G.

(c) Purto Cortez, Hond.; Havana, Cuba; St. Johns', Nfld.; St. Pierre, Miq.; Guanajo, Hond.; Georgetown, Grand Caicas Islands.

Hon. Mr. DANDURAND.

PAYMENTS TO MONTREAL GAZETTE MOTION

Hon. Mr. FARRELL (for Hon. Mr. Roche) moved:

That an order of the Senate do issue for a return showing how much money has been paid from 1911 to 1924, inclusive, for printing, advertisements and annual subscriptions each year, respectively, to the Montreal Gazette?

The motion was agreed to.

PAYMENTS TO GREAT WAR VETERANS' ASSOCIATION

MOTION FOR RETURN

Hon. Mr. GRIESBACH moved:

That an order of the Senate do issue for a return to include:

(a) A copy of Order in Council P.C. 2378, of the 5th of July, 1921, under which the sum of fifty thousand dollars (\$50,000) was paid to John Barnett, N. F. Parkinson, R. B. Maxwell and C. G. MacNeil, trustees for the Great War Veterans' Association.

(b) A statement showing how the said sum or any portion thereof was expended.

The motion was agreed to.

PRIVATE BILLS

FIRST READINGS

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

Bill 10, an Act respecting The London Mutual Fire Insurance Company of Canada and to change its name to "London Fire Insurance Company of Canada".—Right Hon. Sir George E. Foster.

Bill 13, an Act respecting a patent of West Virginia Pulp and Paper Company.—Hon. G. V. White.

Bill 14, an Act respecting a patent of Edgeworth Greene.—Hon. G. V. White.

Bill 17, an Act respecting the Alberta Railway and Irrigation Company.—Hon. Mr. De Veber.

Bill 18, an Act respecting the Manitoba and Northwestern Railway Company of Canada. —Hon. Mr. Watson.

Bill 34, an Act to incorporate the British Consolidated Insurance Corporation.—Hon. Mr. Griesbach.

Bill 36, an Act to incorporate Guaranty Trust Company of Canada.—Hon. Mr. Mc. Coig.

TORONTO TERMINALS RAILWAY COMPANY BILL

FIRST READING

Bill 23, an Act respecting the Toronto Terminals Railway Company.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS

ANNUAL REPORT-INQUIRY

On the Orders of the Day:

Hon. Mr. ROBERTSON: Honourable gentlemen, before the Orders of the Day are called I would like to ask my honourable friend the Leader of the Government when this House may hope to have the annual report of the Canadian National Railways laid upon the Table and distributed to members. I understand that it has been laid upón the Table in another place, and I think it may be an oversight that we have not had it here.

Hon. Mr. DANDURAND: If the report has really been brought down in another place there is no reason why we should not have it to-morrow. I will see that it is brought down.

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

THE SENATE

WEDNESDAY, April 22, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill N, an Act for the Relief of Thomas Almer Shields.—Hon. Mr. Haydon.

Bill O, an Act for the Relief of Roderick James Ellis.—Hon. Mr. Pope.

Bill P, an Act for the Relief of Florence Mann.—Hon, W. B. Ross.

Bill Q, an Act for the Relief of Samuel John Pegg, Junior.—Hon. Mr. McLean.

Bill R, an Act for the Relief of Harry Hambleton.—Hon. Mr. Blain.

Bill S, an Act for the Relief of Izzie Klinmentz, otherwise known as Izzie Climans.— Hon. Mr. Blain.

Bill T, an Act for the Relief of John Hutchison Durnan.—Hon. Mr. Blain.

Bill U, an Act for the Relief of Richard James Wright.—Hon. Mr. Blain.

Bill V, an Act for the Relief of Mary Ellen Ayre.—Hon. Mr. Blain.

THIRD READING

Bill B, an Act for the relief of Jessie Louise Cowan.—Hon. W. B. Ross.

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CANADIAN NATIONAL RAILWAYS ANNUAL REPORT

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to lay on the Table of the House the Annual Report of the Canadian National Railway System for 1924, in English and in French. I understand that the Report has been distributed through the Post Office to the members of this Chamber.

Hon. Mr. ROBERTSON: Do I understand my honourable friend the leader of the Government to state that the Canadian National Annual Report has been distributed?

Hon. Mr. DANDURAND: So I was informed—that it had been distributed, either through the Distribution Office or the Commons Post Office, but to the two branches of Parliament. I have not verified that statement.

Hon. Mr. ROBERTSON: I have not yet received a copy, and I have inquired of a number of members of this House and have been unable so far to find anyone who has received a copy. That is the reason why I inquired yesterday for the Report and asked that it be brought down. I hope it will be distributed.

Hon. Mr. DANDURAND: I will see to it immediately, so that distribution may take place.

THE LEAGUE OF NATIONS PROTOCOL MOTION FOR RETURN

On the Order:

Resuming the further adjourned Debate on the motion by the Right Hon. Sir George Foster, G.C.M.G.: That an humble address be presented to His Excellency the Governor General praying that His Excellency will cause to be laid before the Senate a copy of the Geneva Protocol, of the report thereon submitted by the committees of the fifth Assembly of the League of Nations, and of the proceedings of the said Assembly detailing the discussion and action taken in regard thereto, and copies of all correspondence between the Government of Canada and the Government of Great Britain or any members thereof, in relation thereto.

Hon. G. D. ROBERTSON: Honourable gentlemen, when this motion was last under consideration by this honourable House, I moved the adjournment of the Debate on behalf of the mover, the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster), because he was absent at the time. It is not my intention to speak to the motion, because I think the right honourable gentleman covered very fully the subject referred to in it; but it may well be that other members of this House do desire to participate in the discussion of this subject before it is finally disposed of. My honourable friend the leader of the Government may desire to speak at length, seeing that he has been intimately connected with the matter, and I would therefore advise him that, if he desires to proceed with the discussion of it, I have nothing further to say at this time.

Hon. Mr. DANDURAND: It has been the practice for the representative of the Government in this Chamber to close the debate on a motion such as that which is now before us. I was inclined to follow that tradition, but was awaiting pronouncements from honourable gentlemen who desired to participate in this Debate. I recognize that in this instance it might be well that I should at the first opportunity explain the actions of the delegates of Canada at Geneva and discuss their work and the decision of the Government upon it. I am not in a position to do so just at present. If no one desires to speak this afternoon or to-morrow on this matter, I move that it be adjourned till Wednesday next.

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

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

THE SENATE

THURSDAY, April 23, 1925.

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

Prayers and routine proceedings.

CANADA EVIDENCE BILL

FIRST READING

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

EDMONTON ELEVATOR EMPLOYEES INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. What is the total number of persons employed at the Government Elevator at Edmonton, Alberta?

2. How many of these persons are ex-members of the Canadian Expeditionary Force?

Hon. Mr. DANDURAND:

1. 26 as at March the 15th, 1925.

2. 8 of the new appointments. Several of the present staff were transferred from the elevator staff elsewhere, to Edmonton.

Hon. Mr. ROBERTSON.

DISABLEMENT FUND INCOMPLETE RETURN

On the Orders of the Day:

Hon. Mr. GRIESBACH: Honourable gentlemen, before the Senate adjourned a few weeks ago, I moved for a return of all the documents in connection with the establishment of the Disablement Fund, including the correspondence, etc. At the same time I put on the Order Paper a question with reference to a loan of the sum of \$15,000 from that fund to the Dominion Veterans' Alliance:

Did the Dominion Veterans' Alliance apply for such a loan.

The answer is:

Application was made by Mr. C. G. MacNeil, an officer of the Great War Veterans' Association and the Dominion Veterans' Alliance, as the representative of all ex-service mens' organizations.

In the file of correspondence brought down, that particular application, whatever it may be, is not disclosed. The correspondence which arises about that time refers to previous correspondence. The particular application in question is very germane to the value of the whole return, and I would ask the honourable leader of the Government to supplement the return by laying on the table of the House, in addition to this file, the application made by Mr. MacNeil, in whatever capacity he made it, for the loan to which I have referred. The file will then be, I think, reasonably complete.

Hon. Mr. DANDURAND: I will transmit the remarks of the honourable gentleman to the Minister of the Department of Soldiers' Civil Re-establishment.

DIVORCE BILLS

FIRST READING

Bill X, an Act for the relief of Helen Marie Pritchard.—Hon. Mr. McCoig.

SECOND READINGS

Bill C, an Act for the relief of George Thomas Grigor.—Hon. L. B. Ross.

Bill D, an Act for the relief of Ethel May Sherriff.—Hon. Mr. Haydon.

Bill E, an Act for the relief of Max Arno Frind.—Hon. Mr. Haydon.

Bill G, an Act for the relief of Elizabeth Burns.—Hon. Mr. McCall.

Bill H, an Act for the relief of Fred Herdman Ogden.—Hon. Mr. McCall.

Bill I, an Act for the relief of Marion Gooderham Smith.—Hon. Sir Edward Kemp.

Bill J, an Act for the relief of Edith Mary Wiles.—Hon. Mr. Robertson. Bill K, an Act for the relief of Annie Kate Winch.—Hon. Mr. Green.

Bill L, an Act for the relief of Florence Kate Coutts.—Hon. Mr. Green.

Bill M, an Act for the relief of George Kerr Jess.-Hon. Mr. Green.

PRIVATE BILLS

SECOND READINGS

Hon. Mr McCOIG moved the second reading of Bill F, an Act respecting the Essex Terminal Railway Company.

Hon. Mr. ROBERTSON: Would the honourable gentleman kindly explain the purpose of the Bill?

Hon. Mr. McCOIG: Honourable gentlemen, when the Bill is before the Committee I shall be in a position to give more information on the subject, and shall be very glad to do so at that time.

Hon. Mr. ROBERTSON: I think it is customary to explain the purpose of any Bill before it is given its second reading. I had hoped the honourable member would be able to give us some information as to the purport of the Bill.

Hon. Mr. McCOIG: I have not all the information that the honourable gentleman may wish for, but I shall be very happy to supply it later. I may say that I am sure everything will be satisfactory.

Hon. Mr. ROBERTSON: I have no doubt that there is nothing out of the ordinary in the Bill, but I think it is quite contrary to custom to give a second reading to Bills without honourable members being apprised of their purpose

Hon. Mr. McCOIG: If the honourable gentleman desires it, I am perfectly willing to allow the Bill to stand. This Bill contains a provision for an extension of time such as is usually contained in Bills of this nature. Part of the road is under operation now, I understand.

Hon. Mr. ROBERTSON: The honourable gentleman, I understand, desires to convey to the House the information that the purpose of the Bill is to extend the time for construction.

Hon. Mr. McCOIG: Yes. Part of the road is in the County of Essex.

Hon. Mr. LAIRD: What is the length of the proposed road?

Hon. Mr. McCOIG: I imagine about twenty miles.

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

Hon. Mr. ROBERTSON (for Right Hon. Sir Geo. E. Foster) moved the second reading of Bill 10, an Act respecting the London Mutual Fire Insurance Company of Canada, and to change its name to "London Fire Insurance Company of Canada."

He said: Honourable gentlemen, on behalf of the right honourable member who introduced this Bill, may I say that its purpose is to change the name of the London Mutual Fire Insurance Company of Canada to the "London Fire Insurance Company," dropping the word "Mutual." The existing rights of the shareholders and those interested in the Company are protected and provided for by the Bill.

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

Bill 13, an Act respecting a patent of West Virginia Pulp and Paper Company.—Hon. G. V. White.

Bill 14, an Act respecting a patent of Edgeworth Greene.—Hon. G. V. White.

Bill 17, an Act respecting the Alberta Railway and Irrigation Company.—Hon Mr. De-Veber.

Bill 18, an Act respecting the Manitoba and North Western Railway Company of Canada. —Hon. Mr. Watson.

Bill 34, an Act to incomporate the British Consolidated Insurance Corporation.—Hon. Mr. Griesbach.

Bill 36, an Act to incorporate Guaranty Trust Company of Canada.—Hon. Mr. Mc-Coig.

TORONTO TERMINALS RAILWAY COMPANY BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 23, an Act respecting the Toronto Terminals Railway Company.

He said: Honourable gentlemen, this is an amendment to a statute of 1924 with reference to the construction of the Toronto Viaduct. This work will be carried on by the Toronto Terminals Railway Company, orguized and controlled by the two companies, the Canadian Pacific Railway and the Canadian National. Each railway company has certain works that come within the viaduct agreement, but are outside of the purview of the Terminals Company, and this legislation is to allow the Canadian National Railway to spend a portion of the money in constructing the works which belong solely to it. It does not alter the amount of expenditure, nor the bonding powers.

Hon. Mr. ROBERTSON: May I inquire of my honourable friend whether or not the Canadian Pacific Railway, which is the other railway corporation interested, would under this legislation be allowed the same latitude in using a part of its appropriation outside of the joint work, for its particular share of work in the Toronto Terminals, just as is now asked for the National?

Hon. Mr. DANDURAND: No, I do not believe that this Bill gives any power to the Canadian Pacific Railway. This proposed legislation is solely for the Canadian National, and if the C.P.R. needs enabling powers which it has not already, it will have to come before this Parliament.

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

RURAL CREDITS

DISCUSSION AND INQUIRY

Hon. W. B. WILLOUGHBY rose in accordance with the following notice:

That he will call the attention of the Senate to the matter of Rural Credits, and will inquire if it is the intention of the Government to introduce any legislation during the present session in relation thereto?

He said: Honourable gentlemen, it will not be necessary to make any remarks at all on this subject if the honourable leader of the Government is in a position to assure the House that it is the Government's intention to introduce legislation on rural credits this year. In that case, of course, I would not make any remarks now, but would defer them until the Bill is brought before the House.

Hon. Mr. DANDURAND: The honourable gentleman may proceed to express his views, and they may have some influence on the action of the Government. All I can tell him is that the matter is under consideration. I cannot go further than to say that the matter is now before the Cabinet.

Hon. Mr. WILLOUGHBY: I presume that it has been under advisement for a considerable period of time. We had last year the interim report of Dr. Tory, President of Alberta University, and a supplementary report has been made this year. I had hoped last year that Dr. Tory would be in a position to make his final report, and the Government in a position to bring down a Bill.

Hon. Mr. DANDURAND.

The subject of rural credits is of very grave significance, in Western Canada in any event. Notwithstanding the side of the House on which I sit, I as a Westerner make this free confession of faith, that we who live on the prairies do not benefit, nor profess to benefit, by a protective tariff to the same extent as the other portions of Canada. Less than any other portion of Canada do we benefit by a protective tariff. However, as a Canadian believing in a national policy, not for party reasons at all, but because it is one that makes for the uplifting of all Canada, and the ideals of Canada, and makes it a self-contained nation, I am willing to waive any of the disadvantages that there are sometimes in a protective tariff, so far as the Prairie Provinces are concerned, and to abate my views on them for the purpose of having a general law applicable to all Canada that will benefit this country.

Many slurs have been thrown at our Progressive friends because they have, perhaps rather unduly, found fault with conditions in the West and with the Government. I think that many of those conditions have been beyond the control of the Government and are due to natural and economic causes. To a large extent they are due to the period of deflation after the war, a deflation which unfortunately hit agriculture more severely than it did any other industry in the country. As we know, the agriculturist in Canada who is not living near a large town or in a fairly thickly populated province must find a market for his surplus products abroad, and he finds that market at world prices. I do not intend to argue for a moment on the question of protection and free trade in this respect. I mentioned it only for the purpose of prefacing the remark that we in the West, situated, as we are, a long distance from the main market for our staple, grain, have need of certain special legislation in connection with the problems of the West. We in Western Canada want compensation from the rest of Canada, from Central Canada in particular for some of the handicaps that are imposed upon us by our geographical situation.

A man might suggest many things that could be done—and some of them might seem rank financial heresy to honourable members of this House, who are not accustomed to hearing the views of the West expressed as forcibly as they are in another Chamber. With regard to many of the things that are said in anotherplace, we who have lived in the West a long time and are familiar with the conditions there know that there are substantial reasons for certain forms of legislation. One of the things that the whole of Canada has been troubled with recently is the problem of railway rates. It is only reasonable to assume that the Government this year will have to deal with the question of railway rates, in view of the decision in reference to the Crowsnest Pass. Railway rates in the West generally do compare favourably with railway rates elsewhere. There is a false supposition, sometimes at the expense of the railway companies, that our rates are higher than those of other countries similarly situated. As a Westerner interested in Western transportation, I know quite well that our rates in Canada are rather favourable. On Western grain and other produce the rates are more favourable than those at corresponding places in the United States, or the rates in our other British Dominions. None the less, because of our geographical situation in the middle of a continent, we in the West have absolute economic need of further consideration in the matter of railway charges.

A year or two ago, in this House, I made incidentally a comparison between the cost of transportation from Western Canada and the cost from Argentina, one of our pricipal competitors in grain in the European markets. Owing to the fact that Argentina borders on the sea and is intersected by a great river, and because the great bulk of the wheat crop and a large proportion of the animals grown can be shipped to its markets by that great river and by the ocean, the rates for the transportation to the Old Country of produce from Ar-gentina, although it is twice as distant as Canada are less than ours. The fact that its produce is water-borne is what largely tends to give it the better rate; but that does not help our problem at all.

when T had occasion abroad last year to make inquiry as to the rates in our antipodean Dominions. Although they are three times as far from the European market, you will find that their rates in some cases are better than are the rates from Canada. We in Western Canada must therefore take notice of this situation.

I freely concede that the position in which the Crowsnest Pass matter stands at the present time is a cul de sac. The matter cannot remain in that position. Legislation must be passed, because there is discrimination of all kinds at the present time, both in the West and in the East. The Railway Commission is not free to exercise any power, in view of the decision of the Supreme Court, and it devolves on Parliament to take the necessary action. But what I contend is that

when this matter does come up to Parliament Western Canada should still be given favourable treatment. We cannot ask the railways to give us service that is not going to pay for itself. That would not be a business proposition. The C.P.R., which is run as a successful railway, must have the right to live, and I think it would be a great detriment to the public credit of Canada to cut down the C.P.R. rates so that that Company could not pay an ordinary, reasonable dividend. That would be a misfortune in its effect upon Canada's credit. I mention the C.P.R. only because in our own great Government railway the question of deficits is with us at all times. in any event. My view is that the rates should be adequate for the purpose of a fair business return on the capital invested and the service rendered, but we in Western Canada want a continued better rate for the great stable products that we export, namely, cattle and grain.

There is another thing. A Committee of this House, of which I had the honour of being a member, made a report on the Hudson Bay Railway. I know that that proposition is looked on as a Western heresv—

!Ion. Mr. SCHAFFNER: That is the remedy.

Hon. Mr. WILLOUGHBY: -and a wholly absurd thing, perhaps, from the Montreal point of view. With that view I do not agree for a moment. I am free to concede that perhaps we have overestimated, with respect to grain in any event, the advantages to be derived from the construction of the Hudson Bay Railway; but grain will not be the only thing that we shall ship over it. Among the main commodities that we shall ship over it will be cattle, meat, and meat products. Fortunately for us in the West, the prices, which have been extremely low and have brought ruin to ranchers and stockgrowers in Western Canada, are now slightly on the upturn and the promise is for better times. The Hudson Bay Railway will be the best artery to the outside world for those products, and it will have a very considerable and very helpful effect, in my opinion, in the transportation of grain. I do not say that I believe Nelson to be the best harbour. These remarks are only incidental and are made as a basis for a conclusion I desire to induce this honourable House to accept, or at least to discuss further, namely, that we in the prairie country in some respects need and deserve special consideration.

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These are simply preliminary remarks in dealing with one of the remedies which would in my opinion tend to better conditions in Western Canada.

In England, as we know, the question of farm credits has practically never needed England is peculiarly the consideration. home of private loans, uncontrolled by the Government and left to the ordinary relations between borrower and lender. It is almost the only country in the world that has followed that policy. Canada has to some extent followed the example of the Old Country; but what we have done in Canada has not been done in the other great Dominions, as I shall show in a very few moments The Continent has never followed the English example. For over a hundred years there have been in Germany organizations created for the purpose of making farm loans. The Government has supervised these loans and has regulated the rates of interest and the possible gain. They have been conducted not for profit at all, but for public service. The pioneer organization is the Landschaften of Germany, a purely rural organization established for the purpose of lending to ruralists, little and big, at low rates of interest. The mode of procedure is to issue bonds, which are guaranteed later on and sold on the market, the rate of interest being from 4 to $4\frac{1}{2}$ per cent, and the proceeds given to the borrower. The Germans have their short forms of credit, too. They have joint stock companies dealing with borrowers, and they have their savings banks. and complete machinery for meeting the wants of the ruralists.

There is in France the well-known system of the Crédit Foncier, with a monopoly of loans on land, and there is the Crédit Agricole, with a little wider range. They are run as private institutions to a certain extent, but the rates, I think, are regulated. They certainly are in the case of the Crédit Foncier.

So it is all over Europe. I am dealing with this matter very cursorily, for the reason that the report made by Dr. Tory is a very good compendium and précis of various other reports on the subject. The best report that has ever been published on it—and I see that it is referred to by Dr. Tory—is the report of Mr. Cahill, an English barrister who at the request of the British Board of Trade made an investigation of the German scheme. Then the Saskatchewan Government made a report and afterwards brought in a Bill. They sent Commissioners to Europe, who were joined by representatives from Alberta and from Mani-Hon. Mr. WILLOUGHBY.

toba, and they went with the commission organized under the auspices of the Southern Chambers of Commerce of the United States.

It is not necessary for me to go into any of the schemes existing in other countries as they are outlined in this very admirable precis which is accessible to everybody who asks for a copy of it.

In the United States, a great and rich country, with agricultural conditions very similar to ours, the farmer had been unable to get money on reasonable terms; and what do we find in that country, with its enormous wealth and vast lending institutions such as insurance and loan companies? We find an organized effort on the part of the great Middle Western States to set up a system for the making of farm loans—not only long-date loans, but intermediate credit loans. Shortdate loans were already provided for by the banking system.

In our own West great outcries have been made by some people for a different system of banking. I have lived in the West for a long time-longer than I care to admit, perhaps-and I think, on the whole that the banks there have functioned very satisfactorily, and I have no complaint at all to make in that regard. But the were founded for commercial banks transactions, not for the purpose of making farm loans; they were established for short credits, not for long credits nor intermediate credits. By short credits I mean those of three months, or credits on notes, renewable perhaps from time to time. In the United States intermediate credits, which are made to some extent on the same kind of security as the banks here take for collateral, usually run for three years. Long-term credits, on the other hand, are a different kind of proposition, and do not properly come within the business of banking at all. Unfortunately in Canada we have on our Statute Book an Act limiting loans, practically speaking, to five years; that is, the borrower has a right to pay off the loan in five years. That legislation was originally introduced to protect the borrower from certain sharking companies who loaned moneys at a very high rate of interest, and on such terms that the borrower had no option of repayment prior to the maturity of the loan. To the farmer of the West five years is too short a time. We want a scheme of long-date loans, running anywhere from twenty to thirty years, or even to forty years, as they do in some places on the Continent, and established on amortization principles. Nearly everywhere that such systems exist, the right is given to the borrower to make repayment after a certain period of time

and before maturity. In Canada we have fallen infinitely behind our sister Dominious in the matter of legislation of this kind, and we are going to be met with this obstacle in connection with our immigration Apart from the Soldier Settlement policy. Board we have no scheme whereby we can bring immigrants into Canada and put them on the land and help to equip them and start them up in business. In South Africa, in some of the states of Australia, and particularly in New Zealand, they have legislation to that We in Canada, as soon as our homeend. stead land is gone, will be confronted with the difficulty of having to help finance the settlers Almost necessarily they have who come in. We will first have to pick not much money. the right kind of settler, place him on the land, and then help him to get established. This is going to involve certain losses at times. But there have been losses in connection with the Soldier's Settlement Board notwithstanding the best administration possible. Those losses were to some extent due to the deflation of prices. At the time the lands were acquired there was a certain inflation of land values among other things, and undoubtedly in many cases the soldier who bought his land at the prices then current has been met by the fact that his land is very much depreciated in value.

I do not think there have been very many losses in the administration of the scheme in New Zealand. I have made inquiries -the literature is obtainable by anybody—ard yet I find that they had to pass a moratorium to temporarily carry them over the money stringency. We also have had to pass moratoriums in Canada. In New Zealand to-day the Government is buying land. I was in the City of Auckland, and found that the Government there had bought a very large parcel of land for the purpose of re-selling to intending settlers on easy terms of payment and at low rates of interest.

I said I was not going to speak for long, but there are one or two practical phases that I would like to refer to, and with which we can deal more specifically where the Government brings down a Bill dealing with this matter, which I hope will be this Session. What scheme are we going to adopt? Personally I do not think the system adopted in the United States is going to be practicable here. I wish it were, because in all cases it puts a buffer between the borrower and the ultimate lender. Our schemes in Canadawe have one in Saskatchewan at the present time, and a similar system is working in Manitoba-are operated through an organized Government board dealing directly with the farmer. That system undoubtedly is open

to the objection, which Dr. Tory refers to, and which is obvious to all of us, that there is possibility of political consideration coming into effect. The density of population in the central Western States, which are the ones more largely served by their scheme at the present time, and the relatively greater wealth made it possible to organize associations. There is an association which sells the bonds, and those bonds are bought all over the United States. I do not think that without the guarantee of the Dominion Government, we can set up machinery that will make such bonds marketable at fair rates of interest. I think that in the end-and I am only offering it by way of suggestion-I hope there is some better solution-we will have to follow to some extent along the lines indicated and apparently approved by Dr. Tory, namely, the co-operation of the Dominion Government and the local Governments. The Dominion Government would have to furnish the money, which, to be of any use, would have to be furnished in very considerable quantities. That means that the Dominion Government would have to issue bonds or debentures, and sell securities. The suggestion is that money might be loaned to the Provinces that saw fit to establish a system of this kind-and I fancy they would be only the Western provinces-and that the local Governments should guarantee the monies so advanced.

I have no authority to speak for the Government of any of the western provinces in this connection, but I think it is quite possible that the Government of Saskatchewan would be quite ready to accede to a proposition of that kind. At the present time that Province sells is own bonds, and raises money in the open market which it re-lends to the farmer. Loans to the extent of \$9,000,000 have been made. Only five per cent is paid to those who purchase the bonds, and a large amount of the money comes from sinking funds in connection with the municipalities and cities out there. But that rate of interest does not attract the ordinary investor, because he is used to going to a bank where he has to borrow money and paying seven or eight or nine per cent for it. That being so, there is no inducement to investors, with the possible exception of those exercising a public function, to invest in the bonds. If those bonds had the backing of the Dominion Government, they could certainly be disposed of at a better rate than can the securities of any of the Western provinces.

I am going to make another suggestion for getting cheap money which will scandalize

my financial friends in this House. It is that those bonds should be issued tax-free. The bonds used for the long-date credits in the United States are tax-free; and if it was found necessary in that great and rich country to issue bonds tax-free for the purpose of getting the money at the lowest possible rate, I have no apology to offer for urging that we should adopt exactly the same principle. I am quite familiar with the objections to taxfree bonds, but notwithstanding those objections, the municipalities in the United States are issuing them by the millions every year, because they sell at a better rate than a bond which is subject to income or other taxes. Undoubtedly such bonds do fall freely into the hands of the richer corporations and individuals who are able to acquire them, but I am perfectly ready to justify the action of this or any other Government that issues taxfree bonds in connection with Western farming.

What rate are we paying for money now? From the remarks that I have made you have a right to presuppose that it is comparatively high. It is too high for the farming industry. It has been my honour and privilege to look at this matter from both angles. I happen to have been on the boards of two companies lending money, one of them yet in very considerable quantities, and I know that the companies dealing in Western Canada in recent years have had their own troubles. particularly the Winnipeg companies. Some of them have had to pass over their dividends, others have had to write off depreciation in connection with their loans. But the companies that are loaning money to-day, when conditions are more fixed, are little liable to suffer losses. I know of one big company in Winnipeg which is now very rich, and whose reserves have been built up to a very large extent by loaning money at high rates of interest in the past. As I say, the loans were comparatively small. But at the present time conditions are more stable than they were: we know now, approximately, in any event, what portions of Western territory are suitable to agriculture. There was a time when settlement was spreading rapidly, when homesteading was being done, and it was somewhat difficult to decide whether certain districts could or could not be cultivated profitably. It was a question whether those districts were suitable to ranching or whether they were suitable to the growing of cereals. But now we have learned our lesson in the only way that it can be learned, by experience; we have discovered that parts of the West-particularly in Alberta, and to a lesser

Hon. Mr. WILLOUGHBY.

degree in Saskatchewan—that were supposed to be suitable to the growing of cereals are not suitable to that industry, and such districts are gradually reverting to the cattleraising industry. It was in connection with loans on such lands that some of our western companies, and some of the eastern companies too, suffered losses.

I remember when the rate of interest on a first class farm loan in Manitoba was seven per cent, and the loan did not exceed fifty per cent of the value of the farm, and more usually was for forty per cent at the outside. When the farmers were paying seven per cent in Manitoba, we further west paid eight per cent. At the present time I think the bulk of rural loans in Manitoba are at eight per cent, and we are paying at least eight per cent, and in many instances eight and a half or nine per cent.

Hon. Mr. DANDURAND: What is being paid for loans from the Saskatchewan Government?

Hon. Mr. WILLOUGHBY: Six and a half per cent, I think, at the present time; but the money has run out. The applications for loans long ago swamped the possibility of meeting them.

Agriculture is not a highly gainful pursuit, but it is fundamental to this country, and is a great industry, and will be for a long time our principle industry. Therefore it is extremely desirable in the interests of the whole nation that it should be a profitable industry. Even with thrift and intelligence the farmer does not make great gains; even if Le is prosperous, he cannot hope to do much more than make a good home for himself and his family. It is not possible to make fortunes as we in the cities know them. He must economize on all hands and in all matters, and one of the most fruitful ways in which he can gain is by getting his loans at a lower rate of interest. For what the farmer of Ontario is now paying five and a half or six per cent, in Saskatchewan, and perhaps in Manitoba, we have to pay eight per cent or maybe a little more. The traffic will not stand the tariff; it is too high. The farmers in the United States through their system are getting loans now at six per cent at the very highest, and some as low as five and a half per cent, because there is a regulation that the rate chargeable to the borrower shall not exceed a certain percentage of the rate at which the money is borrowed-I think the spread is about one and one-sixth per cent.

We want cheap money. I have heard it said that cheap money only runs people into-

debt. I do not think the farmer is going to run into debt because long-term money is cheaper. He must give proper security; he must pay the interest and must pay the money back. If there were ever any temptation to run into debt with cheap money it would be in connection with store bills and farm implements and things of that kind, but I do not think that in a permanent loan on his farm there is any risk of the agriculturist borrowing, or being allowed to borrow if he wanted it, an amount that is too large.

So we have special conditions of our own in the West. We are in the centre of a continent. Our competitors are more favourably situated geographically. We have to pay much higher amounts in freight rates, apart from the comparison of our rates with the level in other countries, because of our situation. Our climate is severe. Living is fairly expensive, because we have to protect ourselves in the Northwest against the winter and it is to a large extent, at the present time, a period of non-production. But, while it is not a cheap country to live in, nature there is really bountiful in the end. We have wonderful recuperative powers. Granted this year again a fairly good crop of wheat, with present prices, the East will be astonished to see the recuperative powers of the West. As an old Eastener I am firmly convinced that Canada cannot be properous if those great provinces of the West are not prosperous. Our prosperity is undoubtedly reflected in your prosperity. We in the West, those who are not grumblers and growlers, but who have the welfare of our whole country at heart, ask for kindly and generous consideration on the part of those who live in the East, and we do hope that the Government will see fit at this Session, without further delay, to bring before Parliament a Bill dealing with the subject of rural credits.

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

The Senate adjourned until Tuesday, April 28, at 8 p.m.

THE SENATE

Tuesday, April 28, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill Y, an Act for the relief of Laura Grace Davis.—Hon. W. B. Ross.

Bill Z, an Act for the relief of Alice Brouse. —Hon. W. B. Ross.

Bill A2, an Act for the relief of Vera Thelma Gooderham.—Hon. W. B. Ross.

Bill B2, an Act for the relief of Robert Lawrence Anderson.—Hon. W. B. Ross.

Bill C2, an Act for the relief of Pearl Hibbard.—Hon. Mr. Turriff.

Bill D2, an Act for the relief of William John Taylor.—Hon. Mr. Willoughby.

Bill E2, an Act for the rolief of Albert Edward Cottrell.-Hon. Mr. Willoughby.

Bill F2, an Act for the relief of Florence May Mott.—Hon. Mr. Haydon.

Bill G2, an Act for the relief of Ellen Mary Harvey.—Hon. Mr. Haydon.

Bill H2, an Act for the relief of Stella Florence Brickenden.—Hon. Mr. Haydon.

Bill I2, an Act for the relief of Frank Alexander Michel (otherwise known as Frank Mitchell).—Hon. Mr. Haydon.

Bill J2, an Act for the relief of Thelma Adeline Rose Hands.—Hon. Mr. Haydon.

Bill K2, an Act for the relief of Jean Veronica Margaret Wright.—Hon. Mr. Haydon.

Bill L2, an Act for the relief of Ruth Darcy Blinn McCrimmon.—Hon. Mr. Haydon.

Bill M2, an Act for the relief of Thomas George McElligott.—Hon. Mr. Haydon.

Bill N2, an Act for the relief of Alvin Wesley Richards.—Hon. Mr. Haydon.

Bill O2, an Act for the relief of Cecil Tanner,-Hon. Mr. Haydon.

Bill P2, an Act for the relief of Ruth Ellen McGowan.—Hon. Mr. Haydon.

Bill Q2, an Act for the relief of Edith Kearsley Smith.—Hon. Mr. Blain.

Bill R2, an Act for the relief of James Raymond Armstrong.—Hon. Mr. Blain.

Bill S2, an Act for the relief of Josephine Royant.—Hon. Mr. Blain.

Bill T2, an Act for the relief of Gertrude Margaret Burkart.—Hon. Mr. Blain.

PRIVATE BILLS

FIRST READINGS

Bill 21, an Act respecting the Marconi Wireless Telegraph Company of Canada.—Hon. Mr. Haydon.

Bill 33, an Act respecting the Restigouche Log Driving and Boom Company.—Hon. Mr. Robinson.

Bill 35, an Act respecting the Mutual Life Assurance Company of Canada.—Hon. Mr. Green.

Bill 39, an Act respecting the Joliette and Northern Railway Company.—Hon. Mr. Gordon.

Bill 40, an Act respecting the Ottawa Electric Railway Company.—Hon. Mr. Belcourt.

BONDED WAREHOUSES FOR INTOXI-CATING LIQUORS IN NOVA SCOTIA

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Is it the settled policy and practice of the Department of Customs and Excise to require approval in writing by or on behalf of provincial governments before granting permission to any person to establish and conduct a bonded warehouse for the purpose of storing intoxicating liquors?

2. How long has such policy and practice been in operation?

3. Has this been continuously the policy and practice in regard to the Province of Nova Scotia?

4. If not, what has been the policy and practice of the Department in regard to that province?

5. What person or persons in Nova Scotia has the Department been accustomed to recognize as acting in these matters on behalf of the Government of that province for the purpose of giving approval?

in these matters on behalf of the Government of that province for the purpose of giving approval? 6. Is there any correspondence between the Government of Nova Scotia or members of that Government and the Department on this subject in regard to the person to be recognized by the Department in these matters?

Hon. Mr. DANDURAND:

1. Not generally throughout Canada, but yes as applied to some provinces.

 In provinces where this policy has application it has applied since December 1916.
 Since December 1916. Yes.

4. Answered by No. 3.

5. The Inspector in Chief under the Nova Scotia Temperance Act.

6. There is no such correspondence on the files of this Department.

CANTEEN FUND

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. Has any sum of money been paid out of the Canteen Fund to the Quebec Division of the Red Cross Society, and if so,

(a) How much?

(b) On what dates?

2. Has any sum of money been paid out of the Canteen Fund to other branches or divisions of the Red Cross Society in Canada, and if so,

(a) To what divisions and branches?

(b) On what dates and amounts

Hon. Mr. DANDURAND: No payments have been made from the Canteen Fund to the Red Cross Society in Quebec or elsewhere.

DISABLEMENT FUND

FURTHER INFORMATION

Hon. Mr. DANDURAND: The honourable gentleman from Edmonton (Hon. Mr. Griesbach) asked at the last sitting of the House for supplementary information regarding the Disablement Fund. He desired to know if the application for a loan by Mr. McNeil had been made in writing. The answer I have for the honourable gentleman is that the Minister conferred with the Trustee, Mr. Scammell. Correspondence has passed between the Trustee and Mr. McNeil, and that correspondence has been produced.

CHANGING THE CANADIAN CONSTI-TUTION

PROPOSED RESOLUTION

Hon. O. TURGEON rose to move the following Resolution:

That, in the opinion of the Senate, it is inexpedient that any change take place in the Constitution of Canada as established by the British North America Act and amendments thereto, as set forth in the Speech of the Throne at the opening of the present session of Parliament, without unanimous consent of the Provinces affected by such change to be expressed by the Legislatures of the respective Provinces.

He said: In rising at this moment I feel that I must crave the indulgence of this House in making a few remarks on the history of our Confederation, in order better to establish my motion.

The British colonies in North America in the middle of the nineteeth century were providentially gifted with a plethora of statesmen who had been brought up and educated in the school of justice and freedom. There were many men of lofty British ideals from whom representatives could be chosen when the idea of Confederation of all these provinces had to be established, by men from the legislatures of the different provinces.

For the province of Nova Scotia the Legislature selected Hon. Messrs. Charles Tupper, William A. Henry, Jonathan McCully, Robert B. Dickey and Adams G. Archibald.

For the province of New Brunswick, there were selected Hon. Messrs. Samuel L. Tilley, Will H. Steeves, J. M. Johnson, T. Mitchell, E. B. Chandler, Hamilton Gray, Charles Fisher.

For the provinces of Prince Edward Island —Hon. J. H. Gray, E. Palmer, W. H. Pope, A. D. MacDonald, G. Coles, J. H. Haviland, E. Whelan.

From Newfoundland-Hon. F. B. T. Carter, Ambrose Shea.

All those men had already been inspired by the deeds of men who stood high in the esteem of the British Empire and of the world. As far back as 1827 men like Uniacke and Haliburton had already, by their constant efforts and impressive eloquence, secured from the home Government a change in the oath of office of members of the Legislature so as to permit a Roman Catholic elected in the province of Nova Scotia to take his seat in the Legislature of that province.

They had been inspired by that man of irresistible eloquence, fervor, and genius, Joseph Howe, who had already secured, by just and peaceful means, responsible government for Nova Scotia, which was extended at once to New Brunswick and Prince Edward Island. Twenty years before that day Joseph Howe had predicted the construction of a railway not only from Halifax to Quebec, but from Halifax across the prairies and the Rocky Mountains, for the development of a great empire with British ideals, which he had visualized in his younger days.

From Canada, we had Hon. Sir Etienne P. Taché, John A. Macdonald, Sir George E. Cartier, Hon. J. C. Chapais, George Brown, Oliver Mowat, Thomas D'Arcy McGee, Sir Hector Langevin, Alexander Galt, Taschereau, Joseph Cauchon, Alexander Campbell, William Macdougall, and others.

These were all singularly good statesmen, noted for their British birth or for their admiration of the land in which they lived, and which their fathers had preserved for the British Empire when in 1812, by a heroic feat worthy of Spartans, 300 French Canadians and a few Scotchmen had at Cha'teauguay repelled an American invasion.

Hon. Mr. CASGRAIN: Six thousand strong.

Hon. Mr. TURGEON: The representatives of Canada had been getting tired of their local dissensions with each party working for itself. They determined to make of all Canada a pacific country. Upper Canada had desired representation by population, to which Lower Canada had not been able to find itself ready to submit. In the clash of their ardent patriotism and lofty aims, with their domestic troubles and embarrassments, they suddenly raised their vision to a larger sphere from which they could contemplate the happiness of their people for generations to come, and they looked over British America as a whole.

The men I have named were the statesmen who assembled to lay the foundation upon which to erect a superstructure which would perpetuate noble and lofty British ideals. Delegates from Canada travelled down along the coasts of the Atlantic, which were indented with deep open harbours. They stopped in Prince Edward Island, where they met the delegates I have mentioned coming from the other provinces; but they went further, and visited Halifax and St. John, and thus saw those wonderful harbours which Joseph Howe told them had been placed there by the hand of Providence not only for the use

of the small Maritime provinces, but for the establishing of a complete national highway to the western country for the development of all the transportation possible for all time to come, no matter how great the growth might be. The representatives of Canada, in their amazement at these great facilities, offered to the delegates of the Maritime Provinces the markets of the West through the construction of the Intercolonial railway.

At last all the delegates whom I have named met in the city of Quebec, at that time the capital of Canada, and in a spirit of conciliation they put aside all political or partizan feeling, having in view solely the happiness of the generations to come. They sat down at the conference table with one common soul, and, as I used to say in younger years, with the beneficent smile of Providence beaming upon them. The conference lasted many days, and every particle of agreement that could be reached was made, one with the other, as part of a sacred treaty which resulted in bringing the provinces of British North America under a Federal Parliament.

For the formation of this central Parliament each of the provinces gave up some of its individuality, retaining in its possession its own rights and privileges, which were to be maintained and guaranteed by the Federal Government. Everything relating to trade and commerce and the general development of the country at large was given to the Federal Parliament. It was a regular Treaty between the provinces of the day, and the provinces to be formed and annexed in the future were to come under the special privileges which might be granted to them, and were to accept the same responsibilities, and enjoy the same protection and status, in a body to be known as the Federal Parliament.

The provincial rights were: the recognition of the French language; the rights of minorities as to religious teaching—the minorities of to-morrow as well as those of to-day; and the development of their resources on land and water, such as agriculture, water power development, construction of highways, and other powers in each province which I need not enumerate. The smaller provinces of the East were to enjoy the same authority in the general policies of the country as the larger provinces of the West.

The Parliament at Ottawa has no power to amend any of those rights which belong to the provinces, without the consent of the respective Legislatures. The Federal power created by the concessions of the various provinces, therefore, cannot be amended or restricted without the unanimous consent of the contracting parties, each one of which enjoys the same rights.

I could quote the different parts of sections 91 and 92 of the British North America Act, which are plain enough, but I do not believe it will be necessary for me to read them all. I want only to draw the attention of this honourable body to the fact that every one of the regulations cited in section 91, as to the distribution of powers, can only be amended with the sanction of each province itself. All the rights mentioned in section 92 are those of each and every province, and the Federal Government cannot modify or restrict any one of them. All the rights reserved in section 91 are such as each province consented to be deprived of in the general interests of the country, providing that no alteration could be effected without its consent. Each province signed the Treaty and had it ratified by the British Parliament as its special agent, so that it would not be altered except at the request of each and every contracting party.

Now, we must look immediately at the great principles upon which the Constitution was established. First of all, it had to have representation by population. The Province of Ontario-Upper Canada as it was calledwas pledged to it, and there could be no confederation of any kind unless that principle was first admitted. But how could the small provinces of the East accept representation by population with their limited territory surrounded by the sea, with a population bound to be restricted and subjected to the ever-increasing population and representation of the West? The Province of Alberta, for instance, as we have been recently told in the House of Commons, will in the near future have as large a representation in that House as Ontario. It will be the same with Saskatchewan and Manitoba, and probably also British Columbia. It is to those regions, particularly those on the prairies, that immigration will flock, and that part of Canada will always have a population whose minds have not yet been thoroughly imbued with the fragrant aroma of the Canadian spirit. Therefore we must always consider future possibilities in this country.

As I have just said, the first measure was to establish federal authority, or representation by population. That principle was imperative, because the province of Upper Canada had been pledged to it. But this would mean absorption or ruin for the smaller provinces, and at last they accepted it on condition of the establishment of a second

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chamber called the Legislative Council, but now called the Senate, with power to revise and amend any measure carried in the House of Assembly. In order to protect their independence, the smaller provinces were given a larger permanent representation in the Senate, without which Confederation would to-day be dismembered in twenty-four hours.

Because of this mode of representation being imposed on every province, the delegates of the Province of Prince Edward Island and those of Newfoundland retired, Prince Edward Island coming in later. I might cite many of the expressions of the different delegates at the time, but I do not believe it is necessary. However, it is well established and must be well known to every Canadian in the country, that without the Senate there would not have been any Confederation. The Senate was given extra power in order not only to protect minorities in matters of race and religion, but to protect the smaller provinces against the larger ones. It was then agreed, owing to the small representation of the smaller provinces in the House of Commons, or the Legislative Assembly, as it was then known, that the three Maritime Provinces together should have a representation of twenty-four members in the Senate, that there should be an equal number for the Province of Quebec, and an equal number for the Province of Ontario. Since the opening up of the new provinces another group of twenty-four has been added. in accordance with the spirit of the Constitution.

Now I come to my main purpose in calling the attention of honourable members of this body to what I call my admiration of the Constitution of Canada. I have always bowed not only to the majesty but to the sacredness of the Constitution of Canada. It has been my pleasure on more than one occasion to hear my right honourable friend, now the honourable member from Ottawa (Right Hon-Sir George E. Foster) speak in the lower House of the sacredness of the Constitution. It is a Treaty which certainly merits the admiration of every independent man in every nation. It has been defined recently by Mr. Bourassa as the most beautiful and most exemplary Treaty ever signed. I agree with him in that respect. Of late, however, there has been a great deal of talk of changing the Constitution. It has been with sorrow and grief that during the last couple of years, I have remarked the lightness with which some of our Canadian citizens, and even some of our best newspapers which control public opinion, have spoken of the Constitution.

What I say to-day is only a repetition of what I have said ever since I entered active public life. When I left college I turned for a future to New Brunswick, and I was given charge immediately of a superior school in the Parish of Beresford, where I enjoyed the full privileges of the old School Treaty. Twelve months afterwards, by a change of the educational law, all those privileges were swept away. We fought at the time for the maintenance of our rights, and we found through the courts that those privileges were not statutory, but were merely regulations of the school boards. We fought again to see what rights we might have. We were not convinced at once that any change could be made except by the unanimous consent of every Province of Confederation, and we felt that the Province of New Brunswick would not consent to a change in status. I was one of the first, in my region at least, to advise my compatriots and coreligionists to stop the fight, and to endeavour again to get concessions from the Government to make the schools accessible to our Catholic teachers and children. We have proceeded slowly, but to-day we have a system of education under which both elements, French and Catholic, English and Protestant, live like brothers, each as happy as the other, and each conferring on the other every privilege the Province can possibly offer. This is the respect of the Constitution which I did not want to be changed if it was at all possible, knowing that if changes were effected they would come in the future, and that if we forced the hands of our co-religionists in the other Provinces, it would result in injury to ourselves. I have suffered for the sake of the Constitution, and I am only saying to-day what I have said for the last fifty years.

And now there is talk of a change in the Constitution. A conference will take place in a short time. Honourable gentlemen have no doubt looked over the noble work of Sir George W. Ross on the Constitution. He says in one place that it was only in 1907, when Sir Wilfrid Laurier called a conference of all the provinces of the Dominion, that it was established that the Constitution could only be changed by such means. I wish to be permitted, honourable gentlemen, to say that I contributed somewhat to that decision of Sir Wilfrid Laurier, and perhaps I may be permitted to read the correspondence I exchanged with him at that time, when I thought that a proper course was not being followed by the provinces which were claiming further increases in subsidies. I wrote to him to that effect on the 17th of September 1906—as you see, it is nearly twenty years since I made to Sir Wilfrid Laurier the appeal that I am today making to his successor. These letters are in French, but I will ask to be permitted to read them in English, and then I will give the originals to Hansard for the French edition.

Bathurst, N.B., 17th September, 1906. Right Hon. Sir Wilfrid Laurier,

President of the Council,

Ottawa, Ontario.

My Dear Sir Wilfrid:

Kindly permit me to express my views upon the question of the increase of subsidies to the provinces before the conference on this question takes place.

I am not averse to giving certain appropriations to the governments of the provinces to permit them to assist more effectively and more patriotically in popular education and in colonization. But I consider that any change in our Constitution is a great danger which must be prevented above all things, or be permitted only by strictly Constitutional means.

When we have broken our Constitution in one article we shall be asked to break it in another.

I am astonished and chagrined to see the levity with which the Premier and the honourable members representing the Province of Quebec are asking for this change. They ought to know that in our Maritime Provinces there will be a demand that the Constitution be amended so as to maintain our representation to the Commons as it was in the first Parliament. As a consequence our representation to the Senate later will be decreased.

It would at once take away from the Province of Quebec the finest part of her autonomy, and consequently all her special prerogatives. What would not be asked later?

I am irresistibly opposed to this proposition of my colleagues from the Maritime Provinces, and shall resist it to the utmost of my ability in the interests of the Province of Quebec as well as in the interest of the Catholic population, particularly in the Maritime Provinces.

I regret not being able last session to resume the debate on the motion of Mr. Hughes, which I had adjourned.

My desire would rather be that we should give better terms "by voting them an annual amount proportionate to their respective population for the promotion of education and colonization, and leaving them free, as they are to-day, to choose their methods to attain that end.

I desired to inform you of my views, particularly in order that the Premiers of the Maritime Provinces might not be able to claim the unanimous concurrence of the members from those Provinces in their contentions, especially with regard to representation.

Kindly accept the assurance of my high esteem.

Yours faithfully,

Onésiphore Turgeon.

Here is the letter I received from the Right Hon. Sir Wilfrid Laurier in reply:

Ottawa, 19th September, 1906.

My Dear Turgeon:

As ever,

I have just received your letter of the 17th instant. Pray accept my thanks. I am happy to see that you are deeply interested in the great political questions. The proposals which you make are deserving of serious consideration. For my part, the question simply resolves itself into this—and I believe you share my views: Is it opportune to change the Constitution on the demand of only a few of the Provinces, and is it not preferable to affirm the principle that if the demand is to be granted it must be unanimous on the part of the Provinces? If this point of view were adopted I believe it would meet absolutely the objections which you have pointed out. I have carefully studied this question but have not yet arrived at a definite decision.

I shall be happy if you will again give me your views on the subject.

Believe me, as ever, my dear Turgeon,

Yours very truly,

Wilfrid Laurier.

I replied:

Bathurst, 24th September, 1906.

Right Hon. Sir Wilfrid Laurier, President of the Council, Ottawa.

My Dear Sir Wilfrid:

On my return from Halifax I find your kind letter of the 19th instant in reply to mine regarding the question of subsidies and other matters which might be submitted to a conference of the provincial prime ministers which will take place in a very short time.

I appreciate very highly the attention you have to my remarks. The considerations which I given submitted to you have always been to me a subject of meditation, and it is on these great political questions that most is expected of me by my compatriots and co-religionists in New Brunswick. I appreciate highly the weight which you give to my objections, and I am happy to see that you share them with me. I hasten to answer your kind request to give you my views upon the proposition which you have put to me. Is it opportune to change the Constitution at the demand of a few of the provinces only, and is it not better to affirm the principle that the demand if it is to be granted must be unanimous on the part of the Provinces? In reply I venture to say that notwithstanding my solicitude this principle would meet the objections I have pointed out to you, and would secure the guarantees given to the Province of Quebee in its representation in the Com-mons and to the Catholics of the Dominion by section 93 on education and the rights and privileges whether Catholic or Protestant, with of minorities, regard to religious instruction.

The representation and the rights of minorities with regard to religious instruction are the two great national principles which must at all costs be preserved intact and invulnerable.

The Province of Quebec can alone safeguard those rights for its compatriots and co-religionists in other provinces.

The principle of unanimity of the provinces being admitted, it goes without saving that the Province of Quebec will protect itself in its dearest and most sacred interests. The other questions all of a pecuniary interest might subject us to losses—comparative sacrifices—which would be more or less adequately compensated in the course of time and events.

However, in speaking of the unanimity of the provinces, I mean not only the unanimity of the prime ministers of the day but the unanimity of the provincial legislatures.

Even a Prime Minister of Quebec might well through an inordinate desire for subsidies submit himself to a risk with regard to representation; but it would not be so with an entire legislative body.

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Moreover, the principle of the unanimity of the provinces has already been considered as sacred. Hon. Mr. Blake, in 1872, on the question of the schools of New Brunswick said: "The Imperial Parliament would never amend the British North America Act in the particular in which the motion asked without the assent of the province affected." Now, all provinces are affected by these questions of subsidy and representation.

Up to the present time only the legislatures of New Brunswick and Prince Edward Island have adopted addresses on the subject of representation as well as on subsidies. Quebec has taken action on the question of subsidies but not on that of representation. The other legislatures have not yet acted. Everything considered, I really believe the principle of unanimity of the provincial legislatures will meet all the objections I pointed out in my letter of the 17th instant.

A further word, if you please. I do not believe the protestations of a certain part of the press of Quebec, that the fathers of Confederation have not foreseen the development of the country, particularly of the West. Was it not in anticipation of the future growth of the West the Fathers of Confederation gave to the smaller provinces of the East a larger representation, and in the Senate a permanent one, in order to compensate for the loss of their influence in the Commons by the increased representation of the West in that Chamber. The Senate was given to us to protect the small provinces and the weaker sections; it is there that they will have to look for protection. Was it not in view of the development of the West that Sir George Cartier besought French-Canadians to take possession of the West? After Confederation the governments of Quebec and the Maritime Provinces allowed their children to go by thousands to the United States, instead of trying to keep them or direct them towards the West.

Please accept these remarks with your usual benevolence, and believe me, my dear Premier, with high consideration and best wishes of success.

Your devoted servant,

O. Turgeon.

Now, it is easily seen that when a change in the Constitution was to be made, Sir Wilfrid Laurier desired a decision of all the Provinces of the day, and he called a conference of the representatives of the nine legislatures. Alberta and Saskatchewan, which only one year before had been made provinces, were represented there, as he mentioned in his address to the Parliament of Great Britain and to the King in the following session. But, unfortunately, during late years we have heard very little praise of the Fathers of Confederation-very little praise of their action and very little praise of the Constitution which occupies our attention to-day. After the World War, which has upset every nation of the world, we hear that the constitution is merely a scrap of paper. It is antiquated, we are told, as though the life of a nation were counted by years and not by centuries; as though it did not exist for the future as well as for the present time. Those noble statesmen whom I mentioned a moment ago banded together for the purpose of laying a foundation that should endure, not merely for their own generation, but for the generations to come; and I say that the usefulness of the Senate, after all, has not yet been realized to the degree intended by the Fathers of Confederation. It was made more particularly for the time when, as was hopedand the day cannot come too soon-we should have here a population of 50 or 75 millions. I have read the remark of my right honourable friend from Ottawa (Right Hon. Sir George E. Foster) that in the near future we should have in this country a population of 75,000,000. It will be then that this second Chamber will be most required, that we shall have greatest need of the wisdom off its deliberation, in order to turn aside the clamours which are made by the people on the spur of the moment and which may threaten to throw this country into turmoil and bring about vissicitudes unbearable. There is to-day a feeling that our Constitution is practically the worst of any. Every other constitution has some good in it but ours. The Senate of every other nation has some menit, but the Senate of Canada, we have been told, is the worst of all. I do not speak for myself-the span of life is soon over; decades soon pass away-but I see a great Canada in the future, and, in order to keep Canada great and happy and prosperous. we must have a second Chamber that is able to resist the waves of popular opinion which might at times cause great disturbance.

But it is said that the Senate is very expensive. Some of the newspapers of Canada, some in the Province of Ontario which I admire most for their wisdom, their sagacity and their usual temperate judgment, are telling the country that as a matter of drastic economy it might be a good thing to do away with the Senate. Let me tell them that the day the Senate is abolished Confederation will be broken into fragments and each province will begin again a separate existence. After all the sacrifices that have been made, and all our hopes and aspirations, happiness is within sight for the Canadian people if they will only have the same patience as the Fathers of Confederation had in their day. I say, I am surprised sometimes at the papers which make such a suggestion. I was astounded to read in the Ottawa Citizen of February 7 this statement:

It is doubtful whether any other line of advance is feasible; but it is quite possible that, with the present temper of the Canadian people, resistance to any kind of reform might lead to the elimination of the Senate entirely. After all, at this time of drastic economy, it might be a considerable saving to the country to dispense with the Senate.

If I make particular mention of the Ottawa Citizen it is just because, while I do not always agree with its statements to the people,

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yet it is one of those papers that I respect the most.

We talk a great deal about economy. We want to economize by cutting the Civil Service in two, by abolishing the Senate, and so on. Cheap governments are not always the best. It is not a few million dollars more or less of expenditure in the government of a country that will bring it prosperity: it is the wise exploitation of its resources and economic possibilities by those who are responsible for its government. Soviet governments are cheap, but under them the peasant is robbed of his crop, and all he can do is to eat in silence the crumbs that are left to him. We do not wish to go in that direction at the present 'time because, forsooth, it is difficult to make both ends meet. Other countries are in a position as difficult as Canada's, or worse.

I know that, after all, the Senate is not always perfect. It is not perfected by my presence here, I know. The House of Commons is not always perfect either. It has made many mistakes, I believe, just as the Senate may have done. I have, no doubt, made many mistakes in my life. There is no perfection in Canada, nor in this world, and if we are more or less liable to error of various kinds we are to be forgiven. Meanwhile we know that on different occasions the Senate of Canada has rendered this country valuable service. I will mention particularly two occasions.

In 1898 the Senate rejected a measure introduced by the Liberal Government, to which I belonged and to which I still heartily belong, by obstructing the proposed construction of a railroad to the Yukon. Millions of dollars would have been lost to the country; but a mining fever prevailed at the time and it had captivated the minds of the people. It was thought necessary to build a railway to bring from that far-distant portion of the country the resources which were there, awaiting merely the construction of a railroad.

Again, in 1913, when a vote of \$35,000,000 had been passed by the House of Commons for the construction of a few ships for Great Britain, it was defeated in this House. The expenditure of that \$35,000,000 was of no benefit to Canada and of no value to Great Britain. Thirty-five million dollars were saved at that time. Talk of economy! People who speak of the Senate as an expensive body say that it costs \$500,000. Well, here are savings made by the Senate of many millions of dollars. The Senate, by its rejection of those Bills, saved the cost of its maintenance

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from the time of its creation to this date and for years to come.

Then, the reformers of the day declare: "If you cannot abolish the Senate, you must reform it." They will not tolerate the Senate remaining as it is. They will not have a permanent Senate or an appointed Senate. Some want an elective body; others urge that the Senate should be appointed by the Provinces. Everyone has his own suggestions to make.

If we sit down and consider seriously the action of the Fathers of Confederation, we shall praise their wisdom in deciding to have the Senate appointed, because it meant greater safety for the future.

I have said that no change could be made without the consent of every Province, and then it would be necesary to do as Sir Wilfrid Laurier did in 1907—refer the unanimous decision of the Provinces to the British Parliament for ratification. This is natural in view of the establishment of the Provinces, for when the Fathers of Confederation had decided upon their Act, which was called the British North America Act, it had to be submitted to the British Parliament. The Bill was introduced in the British House of Commons by Mr. Adderley in these words:

The House may ask what occasion there can be for our interfering in a question of this description. It will, however, I think, be manifest, upon reflection, that, as the arrangement is a matter of mutual concession on the part of the Provinces, there must be some external authority to give a sanction to the compact into which they have entered. It is very true we have often given to colonies, secondary in importance to these, the task of framing their own constitution. A general Act was passed two years ago which gives to all colonies with representative institutions the power, at any time, of altering their Constitution within certain limits; but it is clear the process of federation is impracticable to the con-stituent Legislatures. If again, federation has in this case specially been a matter of most delicate treaty and compact between the Provinces-if it has been a matter of mutual concession and compromise-it is clearly necessary that there should be a third party ab extra to give sanction to the treaty made between them. Such seems to me the office we have to perform in regard to this Bill.

These are the words uttered by Mr. Adderley in presenting to the House of Commons in London the British North America Act. It is necessary, therefore, that any change that may be made by the unanimous consent of the Provinces be sanctioned by that special agent ab extra, the Imperial Parliament.

We hear a great deal in these days about separation and the destruction of the few links that keep us connected with the British Empire. I for one claim that it would be not only a great folly, but the greatest danger for Canada to attempt to do away with the few material links that unite us to the Empire. Hon. Mr. TURGEON. We can advance the interests of Canada with the other nations of the world much better and with greater authority within the Empire than if we were outside it. It is better for us to leave the appointment of the Governor General to the Imperial authority for his presence here serves to give every Canadian citizen a higher appreciation of the fact that he belongs to that Empire which has been the greatest in the Christian world. By remaining within the Empire we shall advance our interests more easily and more effectively than if we stood as a separate nation alongside that great nation to the south, with which we hope to continue for centuries in that harmony which has prevailed between us up to the present day. It will be all the better preserved by Canada as a part of the British Empire. There are some who would abolish reference to the Privy Council. I am not a lawyer; therefore I am not directly interested in appeals to the Privy Council; but I say that it is, after all, the best tribunal for the settlement of great questions of Canadian authority, and the reference of such matters to the Privy Council makes for Canadian permanency. I hope that these few links which unite the soul of Canada with that of the British Empire will be preserved by all, and that there is not one member of this honourable body who would vote to destroy them.

Other people want an elective Senate. This is possible. If in the conference which the right honourable the Prime Minister and his Government have called for the near future it is unanimously agreed that Senators shall be elected instead of being appointed, it is most likely that the Parliament of Great Britain will sanction the change. But may I say that in the consideration of this particular point, whether the Senate should be appointed or elective, it was again the Fathers of Confederation from the Maritime Provinces who insisted most steadily-as I am sure my right honourable friend opposite (Right Hon. Sir George E. Foster) will agree-upon the appointments being made by the Government of Canada, in order that, so far as possible, men might be secured whose probity and independence were well known. and who in viewing those questions which came from the Commons would give full consideration to the wishes of the people, so that if in their wisdom they thought those measures should not be allowed, they might be disallowed, as was done, to the great benefit of Canada, on the two great occasions to which I have referred. It is certainly by keeping the Senate of Canada independent that we can best assure the future happiness of this country.

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Members of the House of Commons have constantly cited the example of other Parliaments and other Senates. I am interested more particularly in the Senate of Canada, in the Constitution of Canada, in the future prosperity and happiness of this country, and I say that the Fathers of Confederation framed our Constitution in accordance with the relations of the different classes of our population—for the minority as well as the majority, not only of that day, but of the future. Our position is different from that which exists in other parts of the world.

Some of our young men, in their exuberance, with their talents and intelligence, look for amendment to everything possible, and they say: "I want an elective Senate: I am a democrat." So am I a democrat, but I want to have a safe and temperate democracy, which will never submit itself to anything that would look like communism. Others, again, say that Senators should be appointed by the respective provinces, the idea being that the function of the Senator is to protect the province which he represents. I admit that the duty of the Senate to-day is to protect the minorities of the provinces, or the policies which affect those provinces, but Senators are not here for that purpose alone. Senators should look after the policies of the country at large, and their secondary or more local functions are not so insistent as those of members of the House of Commons.

The Senate of Canada has always had, and has to-day, at least one-third of its honourable members who have been members of the Legislatures of their respective provinces. There is not one Province to-day that is not represented in the Senate by members who have held seats in the Legislatures of their provinces, while some of them have held highly responsible positions in their provincial Governments. Men of that kind are required in the Senate, more, perhaps, than those who are comparative strangers to matters of Federal policy or Federal interest, to which they have not given great attention. One who has been through the House of Commons would no doubt give the same interest to provincial matters in his Province as to Federal matters. Therefore I claim that the best appointments can only be made by the Federal Government of the day.

Many questions will be asked; but I am pleased that the Prime Minister of the day and his Government have decided to call a conference to look into this matter. Had any reform or curtailment of the powers of the Senate been attempted without a conference of the Provinces, I would have been the first to act against it. No Canadian ever respected the late Sir Wilfrid Laurier as I did in his lifetime, nor revered his memory as I do. Still I took the liberty, as I have shown, to express my views and my fears to him in relation to adopting a policy which was not according to my judgment and my conscience.

Having been able thus to deal with a man whom I revered so much, no doubt I shall be permitted to say that, though I may not agree altogether with some things that the present Government may suggest, yet as long as matters are left to the unanimous voice of the provinces I am willing to leave the decision there. Many will no doubt go to that conference on the assumption that they must reform the Senate if they can; but I hope and trust that their deliberations will be as careful and cautious as were those of the Fathers of Confederation, and as were those of the nine provinces in 1906, when they assembled in Ottawa for the purpose I have mentioned.

A great many questions will come before the conference. To-day we hear that there are ladies of high talent, who have rendered services in their respective provinces, who wish to be part of the Senate. All I can say is that I am sorry it is not in my power to open to them the door of our sanctuary. They will have to appeal to the conference, and get the sanction of the nine provinces; and if they do so I dare say the British Parliament will grant that request, with the others.

With all these problems in sight, with the difficulties already existing all over Canada, I hope that when the Premiers of the different Provinces assemble to look over all these problems they will be as careful as the founders of Confederation were 57 years ago. They must not go there with the idea that our Constitution is antiquated and of no use. I believe they will yet see that there is something good in it, and I feel sure that such a conference will receive all the greater appreciation and respect of the thoughtful people of Canada in proportion as by its decisions it bows more nobly and magnanimously to the wisdom of the Fathers of Confederation.

On motion of Hon. Mr. Chapais, the Debate was adjourned until to-morrow.

POSITION OF INSPECTOR OF PENITENTIARIES

MOTION FOR RETURN Hon. Mr. TANNER moved:

That an Order of the Senate do issue for a return to include copies of all correspondence between the Prime Minister and the Minister of Justice and members of the Government of Nova Scotia, and other persons in Nova Scotia, in regard to Lieut-Colonel Eric McDonald, $D.S_{e}O.$, M.C., or any other person as applicant for the position of Inspector of Penitentiaries, during 1924 or since.

The motion was agreed to.

IMPORTATIONS OF MANUFACTURES

MOTION FOR RETURN

Hon. Mr. DAVID moved:

That an Order of the House do issue for the production of a comparative statement of the importation from England and the United States of shoes, of iron, steel, and woollen manufactured goods during the last two years ending the 1st of April, 1925.

He said: I wish to amend my motion so that the statement asked for will cover three years instead of two.

Leave was granted to amend, and the motion, so amended, was agreed to.

DIVORCE BILLS

THIRD READINGS

Bill C, an Act for the relief of George Thomas Grigor.—Hon. Mr. Ross (Middleton). Bill D, an Act for the relief of Ethel May

Sherriff.—Hon. Mr. Haydon. Bill E, an Act for the relief of Max Arno Frind.—Hon. Mr. Haydon.

Bill G, an Act for the relief of Elizabeth Burns.—Hon. Mr. McCall.

Bill H, an Act for the relief of Fred Herdman Ogden.-Hon. Mr. McCall.

Bill I, an Act for the relief of Marion Gooderham Smith.—Hon. Sir Edward Kemp.

Bill J, an Act for the relief of Edith Mary Wiles.—Hon. Mr. Robertson.

Bill K, an Act for the relief of Annie Kate Winch.-Hon. Mr. Green.

Bill L, an Act for the relief of Florence Kate Coutts.-Hon. Mr. Green.

Bill M, an Act for the relief of George Kerr Jess.—Hon. Mr. Green.

DIVORCE BILLS

SECOND READINGS

Bill N, an Act for the relief of Thomas Almer Shields.—Hon. Mr. Haydon.

Bill O, an Act for the relief of Roderick James Ellis.—Hon. Mr. Pope.

Bill P, an Act for the relief of Florence Mann.—Hon. W. B. Ross.

Bill Q, an Act for the relief of Samuel J. Pegg, Junior.—Hon. Mr. McLean.

Bill R, an Act for the relief of Harry Hambleton.—Hon. Mr. Blain.

Bill S, an Act for the relief of Issie Klinmentz.-Hon. Mr. Blain.

Bill T, an Act for the relief of John Hutchison Durnan.—Hon. Mr. Blain.

Hon. Mr. TANNER.

Bill U, an Act for the relief of Richard James Wright.—Hon. Mr. Blain.

Bill V, an Act for the relief of Mary Ellen Ayre.—Hon. Mr. Blain.

Bill X, an Act for the relief of Helen Marie Pritchard.—Hon. Mr. McCoig.

TORONTO TERMINALS RAILWAY COMPANY BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 23, an Act respecting the Toronto Terminals Railway Company.

Hon. Mr. Belcourt in the Chair.

Section 1, 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.

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

THE SENATE

Wednesday, April 29, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill U2, an Act for the relief of Jacob Edward Thuna.—Hon. W. B. Ross.

Bill V2, an Act for the relief of William John Fuller.—Hon. W. B. Ross.

Bill W2, an Act for the relief of Alfred Augustus Jacques.—Hon. Mr. Pardee.

Bill X2, an Act for the relief of Paul Zizis. -Hon. Mr. Robertson.

Bill Y2, an Act for the relief of Annie Blunt.—Hon. Mr. Robertson.

Bill Z2, an Act for the relief of Grace Harrington Bloom.—Hon. Mr. Gordon.

Bill A3. an Act for the relief of Ian Somerled Macdonald.—Hon. G. V. White.

THIRD READINGS

Bill N, an Act for the relief of Thomas Almer Shields.—Hon. Mr. Haydon.

Bill O, an Act for the relief of Roderick James Ellis.—Hon. Mr. Pope.

Bill P, an Act for the relief of Florence Mann.—Hon. W. B. Ross.

Bill Q, an Act for the relief of Samuel J. Pegg, Junior.—Hon. Mr. McLean.

Bill R, an Act for the relief of Harry Hambleton.—Hon. Mr. Blain.

Bill S, an Act for the relief of Izzie Klinmentz.-Hon. Mr. Blain.

Bill T, an Act for the relief of John Hutchison Durnan.—Hon. Mr. Blain.

Bill U, an Act for the relief of Richard James Wright.—Hon. Mr. Blain.

Bill V, an Act for the relief of Mary Ellen Ayre.—Hon. Mr. Blain.

Bill X, an Act for the relief of Helen Marie Pritchard.—Hon. Mr. McCoig.

DISABLEMENT FUND FURTHER INQUIRY

Hon. Mr. GRIESBACH: Honourable gentlemen, some days ago I put on the Order Paper a question dealing with a loan from the Disablement Fund of \$15,000, which was covered by an Order in Council providing that a loan should be made from that fund to the Dominion Veterans' Alliance. I then made a motion for a return of all documents in connection with the matter. The file which has been brought down is minus the original application from Mr. MacNeil, who holds a dual office in the Dominion Veterans' Alliance and the Great War Veterans' Association. The file as brought down lacks a written application for a loan to either of these bodies. I drew the attention of the honourable leader of the Government to that omission, and asked in the House for any written application for a loan. The reply which I now receive is that the application was in the form of conversations, as they might be called.

Now, what I want is this. I want the Government to answer the question whether Mr. MacNeil applied for a loan from the Disablement Fund in favour of the Dominion Veterans' Alliance, or for a loan from the Disablement Fund for the Great War Veterans' Association. That is what I want the Government to state now, as result of the conversations, if there were conversations, and in the absence of a written application for a loan.

THE LEAGUE OF NATIONS PROTOCOL MOTION FOR RETURN

The Senate resumed from March 17 the adjourned debate on the motion by the Right Hon. Sir George E. Foster:

That an humble address be presented to His Excellency the Governor General, praying that His Excellency will cause to be laid before the Senate a copy of the Geneva Protocol, of the report thereon submitted by the committees of the fifth Assembly of the League of Nations, and of the proceedings of the said Assembly detailing the discussion and action taken in regard thereto, and copies of all correspondence between the Government of Canada and the Government of Great Britain or any members thereof, in relation thereto.

Hon. R. DANDURAND: Honourable gentlemen, I desire at the outset to clear up two points which contain a criticism of the procedure followed by the Government in this matter.

It was stated that the decision of the Council should have been first submitted to Parliament. My answer to this complaint is that the first step to be taken by the Government was to decide whether or not it should recommend to Parliament adhesion to the Protocol. The Government, having decided in the negative, communicated its decision to the Secretariat of the League of Nations. It was a pressing matter since the Council of the League was meeting on the 14th of March, and it needed to be informed in order to take further action. No Government, so far as I am aware, acted differently. The various Parliaments remained free-and are still free at this dayto approve or reverse the decisions of their respective Governments.

The second criticism, which was formulated by the honorable gentleman from Shediac (Hon. Mr. Poirier), is, perhaps, of greater import. It was that the Canadian Government's action had influenced the decision of Great Britain. I stated at the time that Canada had not in the least degree influenced that decision, and I can reaffirm that statement. Great Britain communicated to Canada its decision on the 3rd of March last, and on that date Canada had expressed no opinion whatever to the British Government on this matter. The Government had been studying the Protocol with its technical and legal advisers and it sanctioned its despatch to the Secretariat of the League of Nations after it had received the British communication. The terms of our despatch had been for some time under consideration, and those who have read the British and the Canadian despatches will readily see that they were made quite independently of each other.

The Secretary for Foreign Affairs, the Right Hon. Austen Chamberlain, could well state on the 14th of March that the Dominions were all agreed in rejecting the Protocol, because it was a fact on the 14th of March; but, as far as Canada is concerned, the Foreign Secretary could not have made that statement on the 3rd of March, as at that date Canada had expressed no opinion.

Moreover, the Protocol had to be endorsed by a majority of the permanent members of the Council-Great Britain, France, Italy and Japan. France accepted it; Great Britain and Italy rejected it. This settled the fate of the Protocol. It needed also the endorsation of ten of the other members of the League. Many more than that number signed it. Canada's signature was not needed, as the Great Powers had disposed of it. Great Britain acted on the advice of its technical officers and for political reasons, to which I will revert later on, in its full independence.

I now come to the merits of the question and to the Government's decision.

I was a representative of Canada at Geneva with the Minister of Defence, the Honourable Mr. Macdonald. Our situation was somewhat delicate because, during the four preceding Assemblies, the constant efforts of the Canadian delegation had tended to give the Canadian Parliament greater discretionary powers in the application of Article 10, while the scheme of the amendments to the Covenant seemed to have for its object to strengthen and increase the obligations of the Members of the League. In virtue of Article 10, the Members of the League undertake to respect and preserve, as against external aggression, the territorial integrity and existing political independence of all Members of the League.

What, in short, was attempted by the fifth Assembly, last September? The League of Nations was created "to promote international co-operation and to achieve international peace and security." What does it suggest as a means to that goal? The reduction of armaments. Article 8 of the Covenant says:

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

This article emphasizes the necessity of reducing war establishments and of co-operating to enforce international obligations. The Council was given the duty of formulating plans for such reductions.

For centuries the world had lived under the very contrary principle: "Si vis pacem para bellum." After its repeated failure, the Allies at Versailles decided to reverse the old dictum by proclaiming the necessity of disarming. For the last five years the Council and the Assembly have wrestled unsuccessfully with this problem.

Before the Versailles Treaty was signed, it was recognized that disarmament could not be accomplished if security was not first given. Hence the drafting of the Tripartite Treaty between great Britain, France and the United States which protected France against an unwarranted aggression. This Treaty failed Hon. Mr. DANDURAND. of ratification; security was not given; and Europe has remained in a state of nervousness and turmoil.

The first and second Assemblies instructed a temporary Commission to prepare proposals for the reduction of armaments, and the third Assembly, finally recognizing that no headway could be made if security was not given, passed the famous Resolution 14, which instructed the Temporary Mixed Commission to prepare a draft treaty which would provide immediate and effective assistance in the event of a nation being attacked.

The Commission submitted a draft treaty of mutual assistance to the Fourth Assembly, in 1923, which was referred to the various Governments for their observations. It was approved by some and rejected by most nations, Great Britain and Canada being among the latter.

This was the result of five years of arduous labour up to the moment when the last Assembly gathered at Geneva last September. The uppermost thought of the delegations was still of a way to be found to reduce armaments and thereby set the minds of the people towards peace. You can only obtain peace of mind if you remove fear. In this instance, as in most others throughout world history, it is the fear of the vanquished by the victors. I heard, while in Geneva, Count von Bernstorff, the former German Ambassador to Washington, when addressing a Peace Society, make this statement: "We hear on all sides a clamor for security. Security against whom? Against Germany, the vanquished, and the only nation which has thoroughly disarmed." And yet that fear is natural and justified. Germany is a powerful country which can rapidly recuperate. It is prolific, and it has no colonies for its surplus population. Will this proud nation forever resign itself to the condition dictated by the Treaty of Versailles? Its neighbours do not believe it, and so long as loop-holes remain in the Covenant, and the convincing assurance of assistance is not forthcoming, no disarmament can be expected.

Mr. Ramsay MacDonald brought to Geneva a new formula—to replace the law of might by that of justice; compulsory arbitration of all differences between nations to be the rule, and the one which refuses to arbitrate to be the aggressor and an outlaw. For the first time in the history of the world, such a bold proposition was formulated by the Prime Minister of a great country and offered to the official delegates of 54 nations. For centuries, it could verily be said: "Homo homini lupus." This new doctrine in international affairs is the principle which rules individuals in organized societies outside of the jungle. This is a forward step. Compulsory arbitration should be the gospel of democracy, for it means equality before the law—the strong, the mighty, agreeing to be on an equal footing with the weakest.

It is not to be hoped that this bold departure will be accepted without a struggle. It has been my privilege to read the debate in the British House of Commons on this question. One will find there many interesting adverse arguments, such as this, that arbitration is a very good solution, but not for the settlement of all questions, and it should not be compulsory. If this objection be valid, it means that the law of might is still to prevail, and the stronger and the bully will not be thwarted. Then, again, we are told that this is too bold a step, for which the world is not prepared; that progress is of slow growth; that it is a splendid ideal, but unattainable at present. Mr. Ramsay MacDonald gave what seems to me the proper answer: "Proclaim the principle, and the nations of Europe will get into the habit of thinking of arbitration, and gradually we shall have Europe with a new habit of mind." I wonder if we should await another cataclysm which may engulf our civilization?

It was indeed a solemn moment when the two most powerful nations in Europe agreed to accept equal treatment with small nations before the Permanent Court of International Justice and, for non-justiciable questions, before arbitrators. To the argument that there was always a danger of a miscarriage of justice, I answer, after a British Commoner: "Better take the risk—a thousand times less disastrous than the most successful possible war."

At Geneva Mr. Ramsay MacDonald at first expressed the opinion that economic sanctions against an outlaw nation would suffice if general disarmament or reduction of armaments was agreed to. It was soon realized that, in the present state of nervousness in which European nations find themselves, there could be no disarmament if security were not provided through military sanctions. Thus the Protocol took shape with that trilogyarbitration, security, and disarmament-as its underlying, essential basis. These were not new principles, for they were to be found in the Covenant. There were loop-holes in that instrument, however. If the Council of the League was not unanimous in its findings, under Article 15 the Members of the League had the right to take such action as they should consider necessary for the maintenance of right and justice. This plainly authorizes war. Under the Protocol, a final and binding

decision is always made, if not by the unanimity of Council, then by appointed arbitrators. The aggressor is defined and denounced. If the Council does not at once succeed in determining the aggressor, it enjoins upon the belligerents an armistice, and whoever violates it is the aggressor.

The fissures or gaps in the Covenant are closed, according to M. Bénès. The fifth Assembly had the duty of exploring the ways leading to a reduction of armaments, under mandate of the Covenant, and in the spirit of that instrument.

The query very likely runs in the minds of my colleagues: "If the Protocol has some virtue, why has the Canadian Government rejected it?" Speaking for the Canadian delegation at Geneva, I stated that Canada would doubtless be ready to accept the principle of compulsory arbitration; as to the question of sanctions, that Canada would be prepared to accept sanctions against herself, but I did not know in what measure Canada would pledge herself to impose them upon others. I recognized that the Protocol formed a logical and harmonious whole, corresponding to the needs of Europe, and designed mainly for application to that Continent. Our Government and Parliament would have to consider in what measure this document would meet the conditions of our country, and would de-cide whether it could undertake to subscribe to its obligations.

In order that our present position be clearly understood, it is neessary to recall the stand taken by Canada during the last five years at Geneva. What has been our policy since we signed the Covenant at Versailles in June 1919? As is well known, the Covenant was the main thought of President Woodrow Wilson. He is the recognized founder of the League of Nations. All the Allies gave their adhesion to this great scheme on the assurance of the President of the United States that, if we remained together, we could win the peace as, together, we had won the war. The withdrawal of his own country has demonstrated the truth of his statement: divided, we have lost the peace. It was easy to assure peace, and to create a feeling of security in Europe, with the United States playing in the League the role of a disinterested umpire. With the co-operation of the United States, the risks assumed were small. The aspect of things changed radically when Canada found herself alone in North America to answer the call for police duty in a rudderless Europe. I wonder if her Parliament would have assumed the obligations contained in the Covenant if it had been told that the United States were not to join it. Here is the view which I expressed on this very hypothesis on the 4th of September 1919, when the Senate was being pressed promptly to ratify the Versailles Treaty:

Before I vote for this Treaty, I want to make sure that all the principal nations—and I point specially to the one which took the lead in creating that League, the United States—will join in it. Till the Senate of the United States votes this Treaty we need not hurry. France has not yet adopted it.

In what position would we be if the United States of America refused to join? The world is in ebullition. Wars are still going on, all around Russia, in the valley of the Danube, and threatening clouds are hovering over the Adriatic, in the Balkan peninsula, and in Armenia. Shall we, alone in America, undertake to mobilize our troops to join in establishing peace in Europe, Asia and Africa? Let us beware of the contrast which would easily appear between Canada warring in the four corners of the world for the ideal of peace, bleeding and suffering, while by its side the American nation would be enjoying peace and prosperity. The United States has taken the lead in the establishment of the League of Nations. Let us await its action. If it withdraws, there can be no League of Nations as devised in Paris, and Canada would be committing a criminal folly in joining it as a separate entity under those circumstances. Let us wait.

The failure of the United States imposed upon our delegates at Geneva the obligation of moving yearly for the withdrawal or modification of Article 10 of the Covenant. The fourth Assembly, in 1923, seemed disposed to agree to an interpretative clause being added to Article 10. Only one vote was registered against it, that of Persia. It reads as follows:

It is in conformity with the spirit of Article 10 that in the event of the Council considering it to be its duty to recommend the application of military measures in consequence of an aggression or danger of threat of aggression, the Council shall be bound to take account, more particularly, of the geographical situation and of the special conditions of each State. It is for the constitutional authorities of each Member to decide, in reference to the obligation of the territory of Members, in what degree the Member is bound to assure the execution of this obligation by employment of its military forces.

The recommendation made by the Council shall be regarded as being of the highest importance, and shall be taken into consideration by all the Members of the League with the desire to execute their engagements in good faith.

In the drafting of the Protocol it was our duty to inform the Members of the drafting Committee that the terms of this interpretative clause should be found in the amendments before them. The Protocol contains two clauses which may give to our Parliament as wide a discretionary power. I must admit, however, that this is a debatable question. They are clauses 11 and 13:

11. As soon as the Council has called upon the signatory States to apply sanctions, as provided in the last paragraph of Article 10 of the present Protocol, the obligations of the said States, in regard to the sanctions of all kinds mentioned in paragraphs 1 and 2 of Article 16 of the Covenant, will Hop. Mr. DANDURAND. immediately become operative in order that such sanctions may forthwith be employed against the aggressor.

Those obligations shall be interpreted as obliging each of the signatory States to co-operate loyally and effectively in support of the Covenant of the League of Nations, and in resistance of any act of aggression. in the degree which its geographical position and its particular situation as regards armaments allow.

13. In view of the contingent military, naval and air sanctions provided for by Article 16 of the Covenant and by Article 11 of the present Protocol, the Council shall be entitled to receive undertakings from States determining in advance the military, naval and air forces which they would be able to bring into action immediately to ensure the fulfilment of the obligations in regard to sanctions which result from the Covenant and the present Protocol.

Nevertheless, it is argued that the Protocol reaffirms Article 10, and makes more rigid some of the provisions for the application of economic and military sanctions in practically every future war—sanctions which would be difficult of enforcement, more especially for Canada, if the United States were not a consenting party. It is not, I confess, an easy matter to visualize the many problems which could arise in such a contingency, and it is but reasonable to pause and ponder, to survey the ground, before moving forward.

This is the view taken by the Government, and expressed in the telegram of the 9th of March last, addressed to the Secretariat of the League. The Government adheres to the principle of arbitration, and declares that it is prepared to consider the acceptance of the compulsory jurisdiction of the Permanent Court of International Justice. It is not ready to recommend adherence to the provisions of the Protocol for application of economic and military sanctions in practically every future war.

Although the Canadian despatch does not stress these points, I deem it important to state what I believe to be uppermost in the Canadian mind. It is clear that the objections of many countries, including Great Britain and Canada, go beyond the Protocol. All those delegates who have journeyed to Geneva since 1920 have realized that the work in common creates an admirable atmosphere for co-operation towards world peace, while the result of their efforts is examined by the experts at home from an exclusively national aspect, where self-interest is bound to assert itself.

The threat of war hovers over Europe. There is to be found the storm-center.

Canada is of another continent. When the Tripartite Treaty binding Great Britain and the United States to join France in repelling any future German aggression was agreed upon in Paris, Canada refused to sign that Treaty. While Great Britain was directly interested, Canada was not to the same degree. The draft Treaty of Mutual Assistance, of 1923, recognized that it was unjust to impose upon Canada the obligation to participate in European wars, when it provided for the sole intervention and co-operation of nations belonging to the continent affected. It went further: it suspended its application to Canada as long as the United States did not adhere to the Treaty of Mutual Assistance.

What is the main reason which actuated the British Government in rejecting the Protocol and suggesting, instead, regional agreements? It is found in what it deems to be the measure of its interest. We have it from the lips of the Secretary for Foreign Affairs, the Right Hon. Austen Chamberlain, who stated on the 24th of March last, from his seat in the House of Commons, that the Tripartite Treaty of Guarantee having been dropped, France was entitled to a guarantee of security. I now cite his words from page 316:

Her right to expect something from us in that respect is recognized. Our interest and our duty to provide that security is recognized, and is the common policy of us all. That is something on which I agree with the right hon, gentleman. There is nothing I more earnestly desire than to find a basis for a national policy in which we can all agree, and in which we can all heartily co-operate. These declarations give us a special interest in the western frontiers of Germany. All history points the same way. All great wars, our greatest wars, have been fought to prevent one great military power dominating Europe, and at the same time dominating the coasts of the Channel and the ports of the Low Countries. Our ancestors fought Spain in her heyday. Our grandfathers fought Napoleon. We ourselves only a few years ago fought Germany. The issue is one which affects our security. It is an issue which we have never shirked and never can afford to shirk.

And he adds (page 320):

It is equally obvious that, in the view of His Majesty's Government, our obligations could not be extended in respect of every frontier. That is one reason, the main reason, why we rejected the Protocol. It was because it was a universal extension of our obligations of the most serious kind. But we thought that what we could not do in every sphere we might properly undertake, and advise our people to undertake, in that sphere with which we were most closely connected.

The Right Hon. Herbert Fisher, who gave the sober views of the Liberal party, after Mr. Lloyd George had in a rash speech—so qualified by Mr. Chamberlain—established the truth of Lord Chesterfield's saying that it takes a very small dose of wisdom to govern mighty Empires—Mr. Fisher practically repeated the statement of Mr. Austen Chamberlain. He said that the Protocol embodied the French view "that the British Empire should underwrite the whole peace settlement of Verseilles," and he adds (page 395):

Let me tell the House what the French view really is; there is a good deal of reason in it. The French say, in effect: "We have had a great and disastrons war in which you, the English nation, have been quite as fully engaged as we. You helped, with us, to bring about the victory; you are equally responsible for the peace settlement. We have got these republics for Poland, Czecho-Slovakia and the Kingdom of Yugo-Slavia; but Europe is inseeure. It may be that many of those frontiers are badly drawn; it may be that the peace contains many injustices; but, after all, a bad frontier is not so bad as a war, and the minor injustices of Europe are far more tolerable than the renewal of a great war, and is it not to your interest or the interests of the people of Great Britain to say to Europe: "We will guarantee this settlement, we will guarantee every part of Poland, Besaarabia, Yugo-Slavia and Czecho-Slovakia, and, if you join us in guaranteeing the new Europe, depend upon it, it will not be disturbed and Europe will have a generation of peace."

That is the French argument, and I submit that it is one which deserves to be treated with respect. I cannot myself think that the British people will ever take the view expressed in this argument. I do not believe that you would ever find the British people willing to underwrite the settlement in the East of Europe. They will say: "We are not responsible for Eastern policy, and we cannot underwrite a settlement which may, through faults of policy and error, disturb peace, and, in any case, our interests are too remotely affected.

Was I not right in affirming that the objections to the Protocol went beyond it and covered as well the Covenant? They addressed themselves directly to Article 10, against which Canada has never ceased protesting— Article 10, which guarantees the territorial integrity and the existing political independence of all Members of the League. And through all that interesting debate in the British House of Commons one can hear as the leit-motiv, the recurring complaint, that the Covenant is not what it was when it was signed at Versailles, as the United States was there and is now absent. So states the official answer of Great Britain to the League of Nations.

If the British people are fearful of Article 10 and openly declare that they will not reaffirm their obligations under it, as far as the Eastern frontiers of Europe are concerned if Great Britain, which is of Europe, takes that stand, is it surprising that Canada, which is of America, should declare its inability to bind itself to apply economic and military sanctions in practically every future war on the continent of Europe, so long as its great neighbour to the south, with folded arms, looks impassively upon the outside world?

The Protocol is admittedly a European document made to cover European conditions. Treaties of guarantee have been entered into by France with Belgium, Poland, Czecho-Slovakia, Rumania and the Kingdom of Yugo-Slavia. These treaties are defensive. They assure security to a certain extent, but not disarmament.

Germany has approached the British Government with the following suggestions. which are outlined, in general terms, by Mr. Chamberlain (p. 318): Germany suggests a pact with the Powers interested in the Rhine, guaranteeing the status quo and accepting for herself, voluntarily, the western frontier imposed upon her by the Treaty of Versailles. She expresses willingness to make similar arbitration treaties with other States which have contiguous frontiers, and she is prepared absolutely to abandon any idea of recourse to war for the purpose of changing the Treaty boundaries of Europe. She is not prepared to say, in regard to the frontiers in the East, that she renounces the hope, some day, to modify some of their provisions by friendly negotiation, by diplomatic procedure, or, it may be, by recourse to the good offices of the League of Nations.

This statement of the German Government brings to the world the first hope of the reestablishment of stability and peace in Europe. If Germany is really sincere, and if that offer is generally approved by the German people, it may be the opening of a new era. Hindenburg's election, Sunday last, may be a disturbing factor, which will not tend to allay suspicion or scepticism.

The Canadian Government has stated that it will give its loyal support to the League of Nations, hampered though it be by its geographic situation. It stands for the principle of arbitration, and it believes that the close contact of all the nations in the world, yearly assembled to co-operate in the solution of international problems, is essential to the maintenance of universal peace.

Hon. Mr. BEIQUE: Honourable gentlemen, after the brilliant and inspiring address which we have just heard, I hesitate to speak on the question; but, were it only to show the interest which I take in the League of Nations, I think it is my duty to say a few words. Therefore I move the adjournment of the debate.

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

CHANGING THE CANADIAN CONSTI-TUTION

PROPOSED RESOLUTION

The Senate resumed from yesterday the debate on the motion of the Hon. Mr. Turgeon:

That in the opinion of the Senate, it is inexpedient that any change take place in the Constitution of Canada as established by the British North America Act and amendments thereto, as set forth in the Speech of the Throne at the opening of the present session of Parliament, without the unanimous con-

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sent of the Provinces affected by such change to be expressed by the Legislatures of the respective Provinces.

Hon. T. CHAPAIS: Honourable gentlemen, the question now submitted to this House is one of the most important that can be debated here. It involves a great constitutional principle, and it opens the door to a somewhat extensive review of political history. Therefore it behooves us to treat it as completely as possible, to widen the scope of discussion, and to remind this parliament and this country of facts and considerations which are fundamental in such a matter. Relying on the forbearance of my colleagues, I shall try to do my humble share in the fulfilment of that task.

As a first step, I think it is advisable to recall that the highest political wisdom has induced almost everywhere the constitution framers to institute upper chambers. Although the existence of the Senate be not questioned at the present moment, I deem that it is none the less timely to put that point in full light. Let us then make a rapid survey of the different States and Governments of the world.

Nearly all of them have adopted the system of two chambers. We need not speak here of England, the "mother of parliaments," the model of all constitutional governments. It is there that has been born that regime of balance and equilibrium, where the combination of the three powers, the Crown, the Lords and the Commons, have so happily contributed to the stability and safety of the political fabric. Leaving England, we cross the English channel. Here is France, the old mother country of such a great number of Canadian citizens. We find there two chambers: a Senate and a House of representatives. Near-by, Belgium has also two chambers: a Senate and a House of representatives. Next comes Holland, where the General States are divided into the first chamber and the second chamber. Denmark has a Landsting and a Folketing.

Norway has a Lagting and a Odelsting. Sweden has a first and a second Chamber. Poland has a Senate and a House of Representatives. Germany has two chambers, a Reichsrat and a Reichstag. Roumania has a Senate and a House of Representatives. Austria has a Bundesrat and a Nationalrat. Switzerland has two chambers: a National Council and a Council of States. Italy has a Senate and a House of Representatives. Spain and Portugal have each a Senate and a House of Representatives. Now, if we leap over Eurasia, to the other end of the world, as far as the far East, we shall find in Japan a House of Lords and a House of Representatives. Then, going towards the southern seas through the Pacific archipelagoes, we come to Australasia, where the federal parliament of the Commonwealth is composed of a Senate and of a House of Representatives, while the States of New South Wales, Victoria, South Australia, Western Australia, and Tasmania have each a Legislative Council and a House Farther south lies New Zeaof Assembly. land, whose Legislature includes a Legislative Council and a House of Representatives. From Oceania coming back west, we strike the Union of South Africa. Here again we find the two chambers, a Senate and a House of Assembly. Now, crossing the wide Atlantic, we reach South America, where on all sides the dual parliamentary system is to be met. Brazil has a Senate and a House of Representatives. Argentina has a Senate and a House of Representatives. Chile has a Senate and a House of Representatives. Peru has a Senate and a House of Representatives. Bolivia has a Senate and a House of Representatives. All the other small republics of South America-Paraguay, Uruguay, Venezuela, Ecuador-have also two chambers, a Senate and a House of Representatives. The same dualism is equally the rule in Central America and Mexico. At last, we reach our great neighbour on our southern border; and here we can see the acme of the dual system. From the powerful central government at Washington to the smallest state of the American Union, everywhere we find two chambers. So that the United States are governed as a nation by a federal Senate and a federal House of Representatives, and as a confederation by fortyeight state Senates and Houses of Representatives.

Commenting on that universal parliamentary dualism in the United States, Lord Bryce has written the following lines in his fine book, "The American Commonwealth":

The need for two chambers is deemed an axiom; being based on the belief that the innate tendency of an assembly to become hasty, tyrannical, and corrupt, needs to be checked by the co-existence of another House of equal authority. The Americans restrain their legislatures by dividing them, just as the Romans restrained their executive by substituting two consuls for one king. The only States that ever tried to do with a single house were Pennsylvania, Georgia and Vermont, all of whom gave it up: the first after four years' experience, the second after twelve years, the last after fifty years. It is, with these trifling exceptions, the "quod semper, quod ubique, quod ab omnibus" of American constitutional doctrine.

The survey which we have just made brings forth the indisputable fact that the system of the two chambers has been adopted by almost every civilized nation. Yet some-

body may say that facts are not arguments, and that the existence of senates or second chambers all over the world is no evidence of their necessity nor usefulness. I am ready to admit that mere facts are not always to be considered as conclusive in solving a question. But the motives behind the facts are conclusive. And in the present case one can easily understand that this extraordinary concert of nations, instituting and retaining the dual system of parliamentary government, must have been determined by cogent and powerful reasons. Allow me to summarize those reasons.

First, the two chambers regime ensures better The framing of laws is a serious legislation. A law should be and momentous matter. the embodiment of judgment, experience and justice, for the purpose of serving the common weal or of safeguarding legitimate private interests. A good law is a public boon, a bad law is a public curse. A good law is an effective adjuvant to promote peace and good understanding; a bad law is an element of disorder and disturbance. A good law raises the social standard; a bad law lowers it. A good law strengthens in the popular soul the respect of authority; a bad law leads to its contempt. A good law can disseminate prosperity and confidence to the remotest limits of a state; a bad law may sow ruin and trouble from one end of a country to the other. As long as it stays, the good law shall bestow its blessings. But also, as long as it lasts the bad law shall multiply its misdeeds. And that painful word shall be heard too often in the halls where justice should be queen: "dura lex, sed lex."

Honourable gentlemen, how great and appalling is the responsibility of legislators in our parliamentary governments! And therefore, what care should be taken in the framing of laws. To make a good law, reflection, attention and study are urgently needed. In order to make reason, experience and justice emerge from the clouds of prejudice, of error and unfairness, a sincere and lasting effort is re-quired. Therefore you can never be cautious enough in the elaboration of laws. That bill, which may become an instrument of happiness or unhappiness for a number of citizens if not for the whole nation, do not fail to test it through successive processes before inserting it in the Statute Book. And after having studied it thoroughly, let another body begin the work again, study it anew, amend it in the true sense of the word. The body of legislators who shall have first been entrusted with the task of enacting its clauses, may have been deficient through overwork or lack of time. They may have been unduly influenced

or unfairly interested. Let a second body less over burdened, less accessible to those influences, revise and correct the original work. And when all this shall have taken place, the enacted law will not be perfect, but at least it may be as good and beneficent as human legislators can make it.

Allow me to quote here the opinion of a great jurist. In his well known "Commentaries on the constitution of the United States" Story writes the following:

As legislation necessarily acts, or may act, upon the whole community, and involves interests of vast difficulty and complexity, and requires nice adjust-ments and comprehensive enactments, it is of the greatest consequence to secure an independent review of it by different minds, acting under different and sometimes opposite opinions and feelings; so that it may be as perfect as human wisdom can devise. An appellate jurisdiction, therefore, that acts, and is acted upon alternately, in the exercise of an independent revising authority, must have the means, and can scarcely fail to possess the will, to give it full and satisfactory review. Everyone knows, notwithstanding all the guards interposed to secure due deliberations, how imperfect all human legislation is; how much it embraces of doubtful principle, and of still more doubtful utility; how various, and yet how defective are its provisions to protect rights and redress wrongs. Whatever, therefore, naturally and necessarily awakens doubt, solicits caution, attracts inquiry, or stimulates vigilance and industry, is of value to aid us against precipitancy in framing or altering laws, as well as against yielding to the suggestions of indolence, the selfish projects of ambition, or the For this purpose, no better expedient has, as yet, been found than the creation of an independent branch of censors to revise the legislative enactments of others and to alter, amend, or reject them at its pleasure, while, in return, its own are to pass through a like ordeal.

Beyond that happy influence of the dual system, of the double parliamentary test in current legislation, it should also be looked upon as a most useful barrier against those sudden commotions, those unwise moves, that abusive exercise of political power and those unexpected explosions of prejudice which are wont to happen in every political society.

In connection therewith I would like my colleagues to ponder over those words of another great writer on constitutional questions, Chancellor Kent, in his "Commentaries on American Law":

The division of the legislature into two separate and independent branches is founded on such obvious principles of good policy, and is so strongly recommended by the unequivocal language of experience, that it has obtained the general approbation of the people of this country. One great object of this separation of the legislature into two houses, acting separately and with co-ordinate powers, is to destroy the evil effects of sudden and strong excitement, and of precipitate measures, springing from passion, caprice, prejudice, personal influence, and party intrigue, which have been found by sad experience to exercise a potent and dangerous sway in single assemblies. A hasty decision is not so likely to proceed to the solemnities of a law when it is to be arrested in its course and

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made to undergo the deliberation, and probably the jealous and critical revision, of another, and a rival body of men, sitting in a different place and under better advantages to avoid the prepossessions and correct the errors of the other branch.

I hope, honourable gentlemen, I have made clear enough the powerful motives which inspired the adoption and preservation of the dual system in almost every nation under constitutional rule.

Going a step further, I would now like to show how those motives were supplemented and strengthened in the minds of our statesmen, the fathers of our constitution, when they instituted this second Chamber, the Senate of Canada. They had to take into consideration the special conditions in which stood the component parts of that Canadian Confederation which they were striving to build. This Dominion was to be composed of provinces drawn together, it is true, by common aspirations and purpose, but separated, on the other hand, by differences of creed, nationality and concerns. The province of Quebec especially was in a very peculiar situation. She was a French and catholic province, whose people, deeply rooted in the Canadian soil for three centuries, had a history and traditions of their own, and were justly anxious to safeguard their tongue, their institutions and their laws. They were willing to join hands with the other provinces of British North America in the establishment of a great commonwealth. And it is an admitted fact that their illustrious leader at that time, Sir George Etienne Cartier, was perhaps the most powerful factor in the achievement of 1867. But in the meantime they were legitimately intent on the purpose of preserving their historical and national rights. The Maritime provinces had likewise special interests to look after. And from those particular conditions arose the necessity and opportuneness of providing for safeguards in the new constitution.

It was agreed that in the chamber which would be in some degree a replica of the British House of Commons the principle of representation according to population would prevail. That question had been a bone of contention between Upper and Lower Canada for a quarter of a century. In 1840, when the two Canadas had been united under the same Legislature, equality of representation for each province had been enacted, notwithstanding the fact that Lower Canada had a population two hundred thousand greater than that of Upper Canada. The people of the lower province had to swallow that unequal equality. A few years later the figures were reversed. owing to British immigration, and an agitation began for the purpose of giving to Upper Canada a representation based on her superior population. Lower Canada fought the change, arguing that the Union Act had settled the question and had laid down the principle that each province was to be considered as a separate unit and should have the same representation.

For years that battle was waged in parliament, in the press and on the hustings. But with the ever-increasing population of Upper Canada, it became evident that some satisfactory solution should be found. That solution was the Confederation of the British provinces. The new constitution was granting to the provinces local legislatures with exclusive jurisdiction over education, property rights, civil law, etc. It could then be argued that representation according to population should be conceded for the Federal Commons. House of But of course this meant that Lower Canada would be represented by a minority of members in that body. Nova Scotia and New Brunswick had the same prospect. And none of them relished that "capitis diminutio." That was a sore point in the discussion of the constitutional problem. At this juncture the institution of a second chamber came as a happy means of conciliating those divergent views. In the Senate the principle of representation according to population would not obtain: Ontario and Quebec would have equality of representation, 24 members each, and the Maritime provinces together would have 24. The difficulty was overcome, the obstacle was removed, the problem was solved. And it is no bold assertion to declare that without the creation of the Senate, without its peculiar constitution, the Confederation attempt would have been a miserable failure, and the Dominion of Canada, at the present moment, would appear nowhere on the Northern American Map.

In order to prove that this is not mere fanciful history, I shall bring in the testimony of men whose authority can not be disputed. Here is the declaration made by Sir John Macdonald in the Confederation debates:

In order to protect local interests and to prevent sectional jealousies, it was found requisite that the three great divisions into which British North America is separated should be represented in the Upper House on the principle of equality. There are three great sections having different interests m this proposed Federation. We have Western Canada, an agricultural country, far away from the sea, and having the largest population with agricultural interests principally to guard. We have Lower Canada with other and separate interests, and especially with institutions and laws, which she jealously guards against her absorption by any larger, more numerous and stronger power. And we have also the Maritime Provinces, having also each sectional interests of their own, having, owing to their position, classes and interests which we do not know in Western Canada. Accordingly, in the Upper House, the controlling and regulating, but not initiating branch, we have the sober second thought in legislation, which is provided in order that each of these great sections shall be represented equally by 24 members.

After the great Conservative leader, let us hear George Brown, the staunch Liberal, the founder of the "Grit" party. In his speech on the Quebec resolution, he said:

Our Lower Canada friends have agreed to give us representation by population in the Lower House on the condition that they shall have equality in the Upper House, and on no other conditions could we have advanced a step, and for my part I am quite willing that they shall have it. In maintaining the existing sectional boundaries, and handing over the control of local matters to local bodies, we recognize to a certain extent diversity of interests, and it was quite natural that a protection for these interests by equality in the Upper House should be demanded by the less numerous provinces. I think the compromise is a fair one, and am persuaded that it will work easily and satisfactorily.

I shall now quote the words of another member of the Quebec Conference, Sir Alexander Campbell, uttered during the same debate, but in the Upper House, the Legislative Council of United Canada:

The main reason was to give each of the Prorinces adequate security for the protection of its local interests, that protection which it was feared would not be found in a Lower House, where the representation was based upon numbers only, as would be the case in the General Assembly. It was determined that in one branch there would be a fixed number of members nominated by the Crown, to enable it to act as a counterpoise to the branch in which the principle of representation according to population would be recognized.

I cannot refrain from adding to those utterances of the statesmen who framed the Canadian constitution the declaration made, forty years later, by the great Liberal leader, Sir Wilfrid Laurier. Speaking as Prime Minister of Canada in 1906, he said:

One consideration which to my mind is absolutely conclusive and paramount is that under our system of Government, a second Chamber is an absolutely needed safeguard for the smaller Provinces against a possible invasion of their rights by the larger Provinces.

Bearing all those declarations, all those facts in mind, one cannot but come to the conclusion that the Senate is an inherent part of the Canadian constitution; that tampering with it would be to strike a blow at the federal pact, and that the old provinces, especially Quebec, Nova Scotia, New Brunswick and Prince Edward Island, would be justifiable in considering such an attempt as a breach of faith.

In other words, the Federal Pact should be looked upon as a treaty. To use the expressions of Sir John Macdonald, the Quebec Resolutions "were in the nature of a treaty settled between the different colonies, and which had been agreed to by a system of mutual compromise." During the Confederation debates, Thomas D'Arcy McGee emphasized that point, when he said:

It is beyond your power or our power to alter it. To alter a Treaty is, of course, to destroy it.

But it is not enough to demonstrate that the dual parliamentary system is universal, that it is based on reason and experience, and moreover that the institution of the Canadian Senate in 1867 was prompted by motives peculiarly conclusive and urgent. It further behooves us to prove its usefulness and to repel the aspersions made against it.

As I have tried to set it forth in the first part of my remarks, the existence of a second chamber is in itself a guarantee of better legislation. The Senate of Canada has not failed in that respect. In the debate on the Address our colleague the honourable Senator for Montarville (Hon. Mr. Beaubien) has quoted figures from a book written by a man once prominent in this House, Sir George Ross. Allow me to use some of those. Statistics, carefully prepared, enabled Sir George to assert that from 1867 to 1913, out of 5,871 Bills sent to the Senate by the House of Commons this Chamber had amended 1,246, or 21.5 per cent. Those amendments were accepted, and undoubtedly constituted an improvement in the legislation originally introduced. From 1913 to 1925, I have not before me the official figures, but I dare say they would enable us to come to the same conclusion.

I would like to quote here from a speech made many years ago by a former member of this House, during a debate on the reform of the Senate. The Honourable Mr. McMullen said at that time:

I went carefully over the business of the Senate last session and found that, notwithstanding the number of members in the Commons and the large committees appointed there for the purpose of sifting the clauses of Bills introduced in that body, it was necessary to amend these Bills when they came to us last session. We made no less than two hundred and three amendments to Bills sent to us, and fortyseven of those amendments were made to government Bills. So that after all this House has been doing work, but the press and the Commons do not seem to realize it. The Bills are amended here and go back to the House of Commons; the amendments are read and concurred in and that is all the notice that is ever taken of the work done in this Chamber.

Among numberless cases illustrative of the usefulness of the revising and amending activities of this Chamber, will you allow me to recall one which made quite a mild sensation at the time. A Bill came to the Senate, whose object was to provide for improvements of some kind at Fort Frances. The Bill had gone through all its regular Hon. Mr. CHAPAIS.

phases in the House of Commons. It was referred to the proper committee of the A contract had been passed between Senate. the developing Company and the town of Fort Frances. Before proceeding with the Bill the Committee asked for the contract. After a while the document was brought in, and then it was found that if the Bill had passed without amendment it would have deprived the town of every advantage secured to them under the contract. The Bill had to be completely recast, only the preamble of the original draft being left. If the Senate had not been here the people of Fort Frances would have felt horrified in finding cut that their Bill deprived them of all the advantages and rights that it was especially the purpose of the contract and of the Bill to secure for them.

I have singled out that case because it strongly exemplifies the necessity of a revising body in the elaboration of laws.

There are occasions when none are more convinced of that necessity than our colegislators, the members of the House of Commons. Sir Richard Cartwright, after an experience of thirty-seven years in the popular House, stated once that "such things have been known as the House of Commons passing a Bill in the devout and fervent hope that the Senate would kill it."

The legislative usefulness of the Senate, clearly demonstrated by facts, has caused many public men to change their minds on that subject. Sir George Ross, once Prime Minister of Ontario, and surely one of the most brilliant leaders of the Liberal party in times gone by, has made this candid declaration in his book, "Getting into Parliament and After":

I brought to the Senate a few prejudices. Does the Senate really perform any useful public service, or is it a mere recording office for the other Chamber? On this point my prejudices were quickly settled. found, both by its committees as well as by its frank and practical debates, that many amendments were made to Bills sent up from the Commons by which their usefulness was enhanced, and sometimes public injury avoided. The promoter of a Bill in the House of Commons has often a purpose to serve of a local or political character, and this local view of a measure often obscures its ultimate consequences. The Senate, I found, is less influenced, if influenced at all, by local considerations, and so becomes the guardian of all the interests concerned. In acting in this capacity it sometimes incurs the odium of the specialists. But the whole is greater than a part, and the broader the basis of legislation the more valuable to the country.

In the same book, Sir George Ross owns that he was under another false impression when he first came to sit in this House. He says:

Another prejudice was that the Senate treated public questions in a perfunctory way, and took no pains to inform itself fully as to their merits. A few weeks' experience of its committees dispelled that prejudice also. In a long experience on committees on almost every conceivable public question, I never found anywhere a greater desire to consider every aspect of any proposition under consideration. No matter how influential its advocates, the other side was heard patiently, and final action taken only after the fullest deliberation. Its conclusions might be wrong, but its intentions seldom or never.

Alongside these statements of Sir George Ross I would like to place the recantation of another member of this House, whose prejudices were not proof against the experience gathered in the committee work and in the debates of the Senate. I refer to the Honourable Mr. McMullen, who had been appointed to this Chamber after having sat for many years in the House of Commons. In the course of a debate on the reform of the Senate, in 1908, he said:

I have not been here as long as many of our members have been. At one time, in my ignorance, I thought the Senate was an encumbrance to this country. I admit the fact. I thought we could manage to do without it; but after being here and seeing the work done in this House I do not see very well how Canada would do without a Senate in some form.

It could be said, perhaps, that those converts' declarations would have had more weight had they not been uttered by men who had seats in this House. The obvious answer would be that these frank and honest admissions were the more to be trusted as coming from men whose prejudices could not stand the experimental knowledge acquired by them as members of the Upper Chamber.

But let us turn to the testimony of outsiders, free from any bias or prejudice. It has lately been my privilege to glance over the pages of a book still unpublished, written by a gentleman connected with a great American university. It is a study on the Senate of Canada. Here are a few lines transcribed from one of its chapters:

The Private Bills Committees of the Senate are, without doubt, the most efficient department in the legislative mill of the whole Federal Parliament.

And again:

Indeed, as regards the business of legislation, the House of Commons has much to learn from the Senate.

This is the appreciation of a man foreign to our discussions and divergencies, of a learned and impartial student of constitutional questions.

The testimony of another writer on constitutional matters, whose name is well known in these parliamentary halls, should not be omitted. In a study on "Federal Government in Canada," Mr. Bourinot wrote these lines: From time to time the Senate makes amendments that show how thoroughly its members understand and are competent to consider certain subjects; and the sometimes hasty legislation of the Commons hasty because that body is too often overweighted with business—is corrected, greatly to the advantage of the country.

No man could bear a more enlightened judgment on that subject than Mr. Bourinot, who was for so many years clerk of the House of Commons, and therefore had a firsthand knowledge of everything connected with the making of our laws, and with the amendments made by this Senate to Bills adopted first by the lower House.

But this Chamber has not rendered public service only by amending Bills and improving legislation. Amending and improving imperfect laws is a good thing, but delaying or preventing unwise or doubtful laws is perhaps still a better thing; and the Senate has not been found wanting in the exercise of that unpleasant yet pressing duty. Here, again, I do not intend to go over the list of all the measures that have felt its preventive power. I shall only point to a few striking cases. There was in 1874, the Esquimalt and Nanaimo Railway Bill, which would have involved an expense of two or three millions of dollars. The Senate rejected it on the ground that this undertaking was inexpedient and unnecessary. The Government of the time never presented the Bill again, thereby vindicating the vote of the Upper Chamber. And thus two or three millions of public money were saved.

Many years afterwards the Senate took a similar attitude on another railway bill for the construction of a line from Atlin to Dawson City, in the Yukon. It was rejected by the Senate, and the government never presented it again. Once more the Upper Chamber had protected the public interest.

The staying power of the Senate. was exercised in the case of the Drummond County Railway and the extension of the Intercolonial to the city of Montreal. That Bill was rejected when it was first presented, because of some objectionable features; but having been amended at a following session it was adopted in the Upper Chamber, although a great majority of members of this House were still opposed to the government of the day.

The same staying power was felt in the case of the Navy Bill of 1913. I do not intend to discuss the political side of the case; I only want to recall the dilatory jurisdiction exercised by the Senate on that occasion. It refused to give its assent to the Bill until the measure was submitted to the judgment of the country. It should be added that, as a result, \$35,000,000 were kept in the Canadian exchequer. 176

The bills which I have just mentioned were government bills bearing on public policy. But there were a great number of other Bills, some of a very important nature, that were rejected by the Senate. From the statistics already quoted I find that since 1867 down to 1924, 153 Bills had altogether been rejected. As a rule those unlucky pieces of legislation deserved their fate, being inspired by erroneous principles, or aiming at undesirable ends. So it can be safely asserted that, in that respect also, the Senate has done good work. On the whole, to use the words of Sir George Ross:

Experience shows that the second sober thought of the people, as expressed by the Senate, was in the last analysis found to be the opinion which stood the test of mature reflection, while it has happened more than once that the opinion of the House of Commons was rejected by the people on whose behalf, par excellence, it claimed to speak.

I dare say that the usefulness of the Senate in amending and improving legislation, and also in delaying and preventing the adoption of obnoxious measures, has been sufficiently demonstrated. Let us now turn to the aspersions made against this House. The most grievous one is that the Senate is a partisan body; and I firmly believe that it is also the most unfounded one. Of course it is perfectly sure that this Senate is not composed of men fallen from some remote planet, and foreign to our political divergencies. There are in this Chamber Liberals, Conservatives and Progressives. But that the partisan spirit be the ruling spirit, I deny most decidedly. I am not one of the oldest members of the Senate, by the date of my commission-this is my sixth Session-but during those years I have observed, I have listened, I have taken notice of words and happenings, and I say with absolute conviction that the ruling spirit of this House is a spirit of moderation, of fair play, of due independence, of political selfrestraint. Some times, not often, sharp words may be uttered. Sometimes, not often, political bias may put in an appearance; but at the bottom of all discussions and debates lies a latent determination not to go beyond such a limit, not to abuse the constitutional power which resides in this Chamber, giving way even when acquiescence is lacking, and abstaining from pushing the course of objection to the point of rejection.

In 1874, after the fall of the cabinet presided over by Sir John Macdonald, and the accession to power of the Mackenzie Government, Sir Alexander Campbell, the Conservative leader in this House, made the following declarations:

Hon. Mr. CHAPAIS.

The party to which I belong has sustained a complete overthrow, and that will be one of the remarkable features in the history of the country. I do not allude to the subject but for the purpose of drawing attention to what would be the duty of honorable gentlemen in the Senate Chamber. The very remarkable expression of public opinion at the late elections puts all cavil on one side, and I think the usefulness of the Senate will be to bring about the wishes of the people as brought forward by the other House. * * * For my own part, and I might say for other gentlemen who belong to my party, we will be anxious to receive with every consideration of fairness all measures which the government might bring forward. This government will not meet with any factious opposition, or arising out of a spirit of warfare. We will be glad to assist the government in perfecting those measures that might be submitted to the consideration of the Senate.

As a rule, the wise principles enunciated on that occasion have been followed in this House by Liberal as well as by Conservative majorities I appeal to our constitutional history to sustain that assertion. In 1874, the Liberal Government of Mr. Mackenzie saw almost all his main measures get through in a Conservative Senate.

In 1896 the Liberal Government of Sir Wilfrid Laurier saw almost all his main measures get through in a Conservative Senate. In 1911, the Conservative Government of Sir Robert Borden saw almost all his main measures get through in a Liberal Senate; and since 1922 the Liberal Government of Mr. Mackenzie King has seen almost all his main measures get through in a Conservative Senate.

I know that there have been exceptions, but they are few, and not without justification. During the last two years the prime minister could point out to the Railway Bills and to the Pensions Bill. Let us examine these two cases.

In 1923, 48 hours before the end of the Session, a Bill entitled "an Act respecting the Construction of Canadian National Railway Lines" was introduced in this House. It provided for the construction of 29 railway branches at an estimated cost of \$28,000,000, a figure manifestly too low, and which should have been doubled, at least. The country at that moment had to face a yearly railway deficit of \$60,000,000. And two days before prorogation, the Senate was asked to pass, quickly blindly, a Bill providing for the and construction of 29 new lines, and involving an additional expense of almost \$50,000,-000. The Bill was of such a nature, and was presented under such extraordinary conditions, that the honourable member for De Salaberry (Hor. Senator Béique) made the following statement:

It is not on the eve of prorogation that a Bill of this kind should be sent to this House. *** The country has been brought to the brink of bankruptcy by the building of too many railways—railways which are operated at a loss of about one hundred million dollars a year. Surely this House, as an independent body, owes to the country to assert its power and to do its duty.

And following the honourable member for de Salaberry, the senior member for Ottawa (Hon. Mr. Belcourt) rose and said:

I want to join with my honourable friend in his appeal for the withdrawal of the Bill.

Moreover, in the course of the debate, the leader of this House himself, representing the Government in the Senate, said: "I realize that this Bill comes to us very late in the session." The motion that the Bill be read only in six months was carried by a vote of 47 against 10. Here was one of the crimes committed by this body. The Senate's action was approved by every enlightened citizen of this country. At the session of 1924, 26 Bills for the construction of so many branch lines-a Bill for each line, and not a blanket Bill for the whole batch-were introduced, this time two months before the end of the Session. They were sent to the Committee on Railways, and studied there thoroughly, each one on its own merit. And finally 18 of them were adopted and put through by this House. No just man can dispute that the Senate acted fairly on that occasion.

As to the Pension Act, here are the facts, A committee of the House of Commons had sat during the greater part of last Session to study the Bill, and hear all representations. But in the Senate this Pension Act was introduced only 24 hours before the day on which prorogation was supposed to take place. It was a very important Bill, involving great charges upon the Dominion and dealing with complex cases. In moving the second reading on the 18th of July 1924, the leader of the Senate clearly indicated that he was in a dubious state of mind. He said: "I await with some trepidation the opinion of the Senate as to how we shall deal with the Bill." What did happen then? Notwiththe lateness of the standing moment. the imminence of prorogation, and the lack of time, the two leaders agreed on the selection of a committee, to whom the Bill was referred. The committee sat, studied each clause, made the amendments which were deemed advisable, and reported the Bill. In the course of the following debate, the leader of the Senate made this declaration:

I did not intered to press this determined on the strength of the Senate in addet this late hour if the Senate thought that it should be deferred. . . . I agreed to the suggestion that it should go to a committee in order that we might examine it and see what clauses were imperative for the proper working of the Act. We went into committee and S-12

we did more: we examined each and every clauss, and after hearing the expert testimony that we had, we decided to go so far and no further this session. I concur in the report of the committee and will support it.

The report was adopted, and the Bill was read a third time, and sent to the House of Commons. The House of Commons would not agree with the Senate's amendments. The Upper House was informed of the Lower House's dissent at 11 o'clock on the 19th of July, four hours before the time appointed by the government for prorogation. Under such circumstances the Senate would not stultify itself and maintained its stand, knowing well that the question could come up again next session, when ample time could be given for discussion and study. In this case again it can be asserted that the attitude of the Senate was unassailable.

Honourable gentlemen, let the records of this House be scrutinized since 1867, and it will be found that the Upper Chamber has loyally acted the part which had been allotted to it by the fathers of our Constitution. It has improved defective Bills. It has stopped harmful legislation. It has delayed doubtful measures. On the whole it has exercised fairly its improving and staying powers. No sensible man would assert that it has never failed, that it has never been wrong, that it has never committed mistakes. But none of its detractors could point to any case where it has deliberately opposed policies whose object was to promote the best interests of the country. How and when has the Senate of Canada stood in the way of wise reform? How and when has the Senate of Canada vetoed measures intended to raise the nation's standards? How and when has the Senate of Canada refused to co-operate in soundly progressive legislation? How and when has the Senate of Canada presumed to make its will prevail over the clearly expressed will of the people? Nothing of the kind can be detected in the pages of its annals.

At last, let us come to the crucial point: the mode of recruiting the membership of the Senate. On that point perhaps less than on any other can unanimity be expected. During the last twenty years four or five earnest debates have taken place in this House on that subject. And always the most divergent views have been expressed.

This body is a nominated body. Would it be a better one if it were elected? And if so, what would be the best mode of election? Would that power be entrusted to the provincial legislatures? Would it be more advisable to create senatorial electoral divisions composed of many ridings, as had been done for the old Legislative Council of Canada, in pre-Confederation times? Would it not rather be desirable to combine the two modes, the nominative and the elective, part of the Senate being nominated and the other part elected? Then should an age limit be provided for, or should a term of office be fixed instead of a life tenure? All those questions, and a few others have been debated in this Chamber from time to time. I have made it a point to read these debates, and I must say, I have been struck with the strength of the arguments put forth against each of these different possible changes in the constitution of the Senate. Powerful objections were brought against the election of Senators by the Legislatures, or by large aggregations of ridings; against a combination of the two systems; against the fixing of an age limit and of a term of office. In face of all those divergent opinions, one cannot but agree decidedly with the statement of a great constitutional writer, Hearn, when he savs:

There is, perhaps, no more difficult question in practical politics or one towards the solution of which the political thinker can give less help, than that of forming in a new country an Upper House.

That was undoubtedly such a difficulty that induced, in the course of one of these debates, many years ago, a member of this Senate, happily still sitting in our midst, to move the following amendment:

From the very serious objections which have been raised to the several modes of reform which have been submitted by individual members of this House, and the great diversity of opposition expressed thereon, the present constitution of the Senate seems to be, on the whole, the best that can be devised for this country; that however, in order that this honourable House may give the full share of its usefulness it is very desirable that means be adopted to keep it more constantly occupied, thereby relieving the House of Commons of part of its work and shortening the Session of Parliament.

I would not like to commit myself absolutely on the merit of such a resolution. But I feel inclined to admit that the composition of the Upper Chamber, under the present régime, since 1867, has gone a long way towards sustaining the soundness of that proposition. What has been one of the main objects, if not the main object, of all the proposed schemes for the reform of the Was it not to make this House Senate? more representative, in the widest sense of the word, more representative of the intellectual, professional, commercial, industrial activities of the nation, more representative of the different classes of our Canadian people? I think this cannot be disputed.

Now, let us peruse the membership roll of the Senate during the fifty-eight years of its existence. What shall we find? When it Hon. Mr. CHAPAIS. was first launched on its constitutional career, almost every one of its members had sat in the legislatures of the different provinces. Twenty of them had been ministers in the local governments. Thirteen were presidents or directors of banks. Twenty were lawyers. Six were connected with Canadian universities. Three were journalists. Three were agriculturists. Twelve were heads or members of big companies. Four were directors of railways. Eleven were merchants or members of trade firms. Two were notaries and one was a surgeon. Surely that body could be considered as representative enough.

But, perhaps, since its inception, 'this House may have somewhat lost that character. Let us enquire about that. After a lapse of fortysix years, here is a summary of the Senate's membership. I take it from the book already quoted, published in 1913, "Getting into Parliament and After":

Who are those occupying these crimson chairs?

asked Sir George Ross.

One has been Premier of Canada, seven have been members of His Majesty's Privy Council, thirtyseven have been members of the House of Commons, two have been Premiers of Provincial Governments, seventeen have been members of a Provincial Legislature, and one a Judge of the Superior Court. The others have been a dynamic force in the commerce and the industries of the land, or professional men of good repute. In the face of such men, let purple blood be poured into the sea. The Senate of Canada requires no other pedigree.

If Sir George Ross was still living to-day, he could add a similar page to his book. Looking around, he would see in this House eight ex-ministers of the Crown or members of His Majesty's Privy Council, thirty-nine ex-members of the House of Commons, one ex-Prime Minister of a province, seven ex-members of provincial governments, twentyfour ex-members of provincial legislatures, one ex-speaker of the House of Commons, four ex-speakers of provincial assem-Moreover he could verify that the blies. Senate is still kept in touch with all the classes of our people. He would find on these seats ten merchants or members of trade firms, eight newspaper men, four manufacturers, twenty lawyers, eleven presidents or directors of banks, thirty-five members of industrial companies, five professors or governors of Canadian universities, eleven farmers or agriculturists, three members of the Royal Society of Canada, one Major General, one Brigadier General, ten Colonels or Lieutenant Colonels of our Canadian Militia, five doctors, two notaries, one civil engineer.

Now, is it not a fact that the representation of our social elements could hardly be more comprehensive and more adequate? We read very often in speeches or articles about the reform of the Senate, that it would be desirable to see the universities represented, the boards of trade represented, the professions represented in the Senate, and so on. Well, all these suggestions should not be put forward as desiderata: they are accomplished facts. The universities are represented, trade is represented, industry is represented, the press is represented. literature and science are represented, agriculture is represented, labour is represented; in a word, all the Canadian activities are represented in the Senate. And all this would seem to show that the position taken in this House seventeen years ago by the honourable member for De Salaberry (Hon. Mr. Béique) was not altogether unjustifiable.

From the representation of the various Canadian interests, if we pass to the personal worth of the public men who have adorned this House, we can still be entitled to feel some pride. The names of Sir Alexander Campbell, of Ferguson Blair, of Joseph Cauchon, of P. J. O. Chauveau, of George Brown, of C. B. de Boucherville, of Louis Rodrigue Masson, of Sir Alexandre Lacoste, of Sir John Abbott, of Sir George Drummond, of Sir Mackenzie Bowell, of Sir Auguste Real Angers, of Sir William Hingston, of Sir Oliver Mowat, of Sir Richard Cartwright, of Sir George Ross-to speak only of the dead-are all historical names, and shine amongst the most famous in the land. And the legislative body which has seen them sitting in its hall cannot be said to have been shorn of talent, of experience, of knowledge, of eloquence and patriotism.

Honourable gentlemen, I must apologize for having detained so long your attention. A plea "pro domo" is always an ungrateful and often an unwelcome task. However, I think that our colleague, the honourable member from Bathurst (Hon. Mr. Turgeon) is to be congratulated for having introduced his resolution. We may hope that this debate will enlighten public opinion, especially that element which is not very favourable to the Upper Chamber. There is surely in the minds of a certain category of Canadian citizens, an impression that this House is not a friend of democracy. Democracy! A great word and a powerful thing! Autocracy has fallen to pieces. Aristocracy, as a political power, is a vanishing shadow. This is the age of democracy. Democracy is the new goddess of the world. Her altars are surrounded crowd by 8. swarming of fervent devotees. And her statues are clouded with the fragrant smoke of incense. I have no inclination to shatter the pillars of the temple. But I would like to remind those who S-121

wish to understand thoroughly "what is in a name," and who are always anxious to reach at the thing behind the name, that there may be, that there are, two kinds of democracies: there is a false democracy, and there is a true democracy. The false democracy is the democracy whose ambition is to substitute the tyranny of the mob for the tyranny of the despot; which strives to make the rule of numbers stifle the rule of betters; which hates pre-eminence and extols mediocrity; which aims at pulling down that which is exalted instead of raising up that which is low. Under the impulse of these feelings, that false democracy has a fatal inclination towards socialism, which by a natural trend leads to communism. And thus from stage to stage, a nation which follows to the bitter end the dictates of that false democracy, becomes a prey to that indescribable regime, Sovietism, which, after having destroyed the main institutions, the wealth and productive power of Russia, has established over a heap of ruins an autocracy worse than the autocracy of the Tsars. It was unhappily that kind of democracy which was acclaimed with such an astounding enthusiasm by all the rulers of the Allied nations during the great war. They were soon to get a splendid reward for their blind acquiescence.

Fortunately there is, on the other hand, a true democracy, which knows that levelling is not erecting; whose legitimate wish is to open the gates of social categories. and to make easier and safer the intercourse between the classes and the masses; which rightfully claims the equality of all citizens before the law, and the free access of all, through work, courage, and noble effort, to the highest gifts of public life; which deprecates internecine strife, but preaches fraternal emulation and mutual help. I pray to God that this kind of democracy, this wise and christian democracy, be the democracy honoured and practised by our people for all time to come. And may I be allowed to say that such democracy has nothing to fear from the Senate of Canada. While the false and hateful democracy whose characteristics I have tried to delineate may rest assured to find always in this House an unbreakable wall, the true and enlightened democracy which we all respect should ever come confidently to the Canadian Senate, where it shall always be met with a listening ear, a helping hand, and a friendly heart.

On motion of Hon. W. B. Ross, the debate was adjourned.

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

THE SENATE

Thursday, April 30, 1925.

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

Prayers and routine proceedings.

DISABLEMENT FUND

FURTHER INFORMATION

Hon. Mr. DANDURAND: I have an answer to the question asked yesterday by the honourable gentleman from Edmonton (Hon. Mr. Griesbach) concerning the Disablement Fund. The answer is in the following terms:

The application for a loan from the Disablement Fund was made by Mr. MacNeil in favour of the Great War Veterans' Association.

The Minister suggested that the loan be made to the Dominion Veterans' Alliance, which was in his opinion a body representing all the veterans organizations.

And the Order in Council is to that effect, if I am not mistaken.

DIVORCE BILLS

FIRST READINGS

Bill B3, an Act for the relief of Arthur Beldon Morrison.—Hon. Mr. Gordon.

Bill C3, an Act for the relief of George Edward Sharp.—Hon. Mr. Turriff.

Bill D3, an Act for the relief of Marjorie Morton.—Hon. Mr. Turriff.

Bill E3, an Act for the relief of William Ernest Hampson.—Hon. Mr. Turriff.

RAILWAY EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

Hon. Mr. DAVID 'moved:

That a committee of the Senate be appointed to inquire into and report upon the best means to relieve the country from its ruinous railway expenditure, with power to send for persons, papers and records, and that said Committee be composed of the following Senators: Honourable Mr. Ross (Middleton), Dandurand, Robertson, Belcourt, Lynch-Staunton, Pardee, Bóique, Webster (Stadacona), Robinson, Watson, Calder, Griesbach, Green, and the mover.

He said: Honourable gentlemen, the motion speaks for itself, and it is not necessary for me to say more than a few words in order to explain my motive.

I need not repeat what everybody thinks and says, that the financial condition of the Canadian National Railway is causing anxiety to all those who have at heart the welfare of the country, and that something should be done to remedy that disastrous situation, which cannot last without injuring seriously the future of Canada and increasing

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the burden of taxation, already too heavy, too onerous, and so detrimental to our commercial and industrial world. It is evident that we cannot reduce our taxation, as is done in almost all other countries, as long as we are obliged to pay the deficits of that railway and the enormous amount of interest which is a consequence of the increase of our financial obligations.

The evil exists, it cannot be denied, but how can it be remedied? That is a question which is the subject of much discussion and difference of opinion. It is generally admitted that if our two great systems of railway were operated and administered by only one body, this would remove the principal causes of the evil complained of. But how can that be done? To which body should be confided the administration and operation of the united railways? "The Government, through nationalization," say some people. "By the Canadian Pacific Railway," say others. "By cooperation," affirm certain important men and newspapers. It is in order to elucidate that question that I deem it opportune to make the present motion. I am convinced that the Senate ought to give evidence of its zeal for the interests of the country and show that it has the ability required to discuss one of the greatest problems of our political and financial world. I am convinced that the Committee, after having heard experts in financial and railway matters, would make a report which would be appreciated and do honour to the Senate.

I regret that I did not make this motion sooner; but, in view of what is going on in another Chamber, I have reason to believe that the Committee will have ample time to inquire and report.

I have often said and written in some of our newspapers that the Senate was composed of men able to treat all the important questions which may arise in our political world, and I am convinced that the financial situation of our railways is one of those questions which will give it an opportunity to assert its usefulness. I move the motion standing in my name.

Hon. Mr. LAIRD: Honourable gentlemen, I do not wish to urge any objection to the purpose for which this Committee is about to be appointed, but I suggest to the honourable gentleman that the personnel of this Committee is not very happily chosen. I notice that the proposed Committee of fourteen members includes only four from Western Canada, only one being from the Province of Saskatchewan, which is the third largest province in the Dominion, and the province in which probably the greatest amount of railway construction is necessary. I think the Committee thus formed will be badly prejudiced from the start, and I would suggest to the honourable gentleman the advisability of recasting it to some extent, so that further representation on this Committee may be given to Western Canada.

Hon. Mr. DAVID: In composing the Committee consideration was given to the population of each province; so the province of Quebec is represented by four members, the province of Ontario by four, and the other provinces each by one. We did the best we could. If it is thought necessary now to modify the motion, I have no objection. I do not know how it is to be done. I will not attempt to do it, because I cannot do better than I have done.

Hon. Mr. LAIRD: All I can say is that the report of the Committee, whatever it may be, will not command very much respect in the country if the composition of the Committee is left in the present state.

Hon. Mr. McMEANS: It is important tc consider the question from the point of view of the different sections of the country.

Hon. Mr. GRIESBACH: Honourable gentlemen, I would suggest to the mover that the wording of the motion be changed. It is desirable that the scope of the Committee's inquiry should be reasonably wide, but that it should not go further than necessary. The words, "the best means to relieve the country from its ruinous railway expenditure," indicate a pretty large order. It may well be doubted whether it is possible to accomplish that. I would suggest that those words be struck out, and that the words, "the operations of the Canadian National Railways," be substituted. Then the Committee would have all the scope needed, and it would not raise the hopes of the country too high.

Hon. Mr. BEAUBIEN: How would it read?

Hon. Mr. GRIESBACH (reading):

That a Committee of the Senate be appointed to inquire into and report upon the operations of the Canadian National Railways, with power to send for persons, papers and records.

It now reads:

That a Committee of the Senate be appointed to inquire into and report upon the best means to relieve the country from its ruinous railway expenditure.

That is a very large order, and if at the end of the whole inquiry the Committee do not bring in a solution, it would look as if the Committee's labours had been in vain.

Hon. Mr. BELCOURT: But my honourable friend must see at once, from the observations which were made by the honourable gentleman who proposed the Com-mittee, that that would be killing the very object of the inquiry. The honourable gentleman from Mille Iles (Hon. Mr David) apparently does not intend that the inquiry should be confined to the operations of the Canadian National Railways: he wants the Committee to investigate generally the question of railway operation in Canada, and to discover, if possible, means whereby the two systems might be amalgamated, or might to a certain extent have a common management, or questions of that kind. I judge from what he has told us that that is the main object he has in view.

Hon. Mr. DAVID: Yes.

Hon. Mr. BELCOURT: My honourable friend will at once see that the scope and purpose would be unduly limited if the motion were changed as suggested.

Hon. Mr. GRIESBACH: Quite so. I entirely misunderstood the purpose of the motion. If it is to inquire into the whole railway situation in Canada, that is a still larger order; but if the honourable gentleman feels that a useful purpose would be served thereby, I have no objection. I thought he was confining himself to the Canadian National Railways.

Hon. Mr. DAVID: In order to be agreeable to the House, I would have no objection to suspending the motion. But do not forget. honourable gentlemen, that it is already late in the Session, and if you want to have an inquiry and a report, and improved conditions, we must proceed as quickly as possible. I would have no objection to doing what the honourable member from Saskatchewan (Hon. Mr. Laird) has suggested, but I do not know how. If he has something to propose to me, let him do it. But I cannot do better myself.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I would like to make one criticism. It is a mild one. It struck me when the motion was being read that the word "ruinous" was a pretty strong word. I am going to suggest to my honourable frieud from Mille Iles that the word "excessive" should be substituted.

Hon. Mr. DAVID: I have no objection.

Hon. Mr. CALDER: Honourable gentlemen, I would suggest that this motion be allowed to stand until Tuesday next, until we have had an opportunity to consider it. So far as the motion in its present form is concerned, I would not like to have it proceeded with, because it is practically an admission on the part of the Senate that we have a ruinous state of affairs existing.

Hon. Mr. DANDURAND: But I would draw my honourable friend's attention to the suggestion which has just been made.

Hon. Mr. CALDER: I did not catch it.

Hon. Mr. DANDURAND: That the word "ruinous" be replaced by the word "excessive."

Hon. Mr. CALDER: I am not just sure of that, either. I think this is a very important matter. The question raised by the honourable member from Regina (Hon. Mr. Laird) is one worthy of consideration, and there may be other sections of Canada that would like to have representation on a Committee of this character. We shall have plenty of time to deal with this matter, and I think the motion might very well stand until we have a full opportunity to consider its purport and the membership of the Committee which is to be constituted.

Hon. Mr. DANDURAND: I also believe that it would be opportune to postpone the discussion of this motion; but in the meantime I would suggest to my honourable friend from Regina that he consider the basis upon which the Committee should be formed. If he thinks that Saskatchewan is entitled to a larger representation, he will have to meet a similar demand from other provinces. Honourable members of the Senate who have objections to formulate concerning either the form or the substance of the motion, might get into touch with the honourable the mover before Tuesday evening, so that on Wednesday we may have the result of the joint wisdom of those honourable members.

Hon. Mr. CHAPAIS: Honourable gentlemen, for the word "ruinous" perhaps we might substitute the word "heavy." No doubt the expenditure is very heavy.

Hon. Mr. LYNCH-STAUNTON: Ponderous.

Hon. Mr. BELCOURT: You do not need any adjective at all. Certainly it should not be superlative.

Hon. Mr. WILLOUGHBY: Strike out the adjective.

Hon. Mr. BELCOURT: Why not say simply "expenditure"? If I understand the honourable member from Mille Iles (Hon.

Hon. Mr. DAVID.

Mr. David), his intention is to have a thorough discussion on the whole subject. He does not want to confine it in any one direction: he has no particular hobby to press on the Committee. He wants to see the Committee seized of the whole railway situation in Canada, and he invites members of this House to apply their ingenuity and experience in designing some way out of the difficulty, either temporary or permanent, partial or general. He wants to see the House seized of the whole problem, and, if I may say so, he is taking the wise course in asking for a Committee to deal with it, and not the House, because the Committee would have the advantage of hearing experts and witnesses.

To-day there is a discussion going on in the press and I think it is desirable that the whole House should know what is in the back of the head of Sir Henry Thornton -what is his scheme, what it is that he now proposes. I think the idea of the investigation is a most timely one. I have not had the advantage of conferring with my honourable friend, but I can at once see the great public interest involved in the matter, and the urgency of a solution and I think the House ought to welcome the opportunity for such a momentous investigation as my honourable friend has set before the Senate. There does not seem to be any difficulty in having the motion put through to-day, and if it is desired to add any other honourable gentlemen to the Committee I have no objection, and I am quite sure my honourable friend has none. He adopted a certain basis of selection which he has explained, but if there is any better mode of constituting the Committee, surely it is up to the honourable gentlemen who think so to suggest it, whatever it may be. My honourable friend from Regina (Hon. Mr. Laird) does not like the composition of the Committee. Perhaps he could tell us what he would like, and then we would be able to have the motion passed, so that the Committee could organize and get to work. There is no doubt that the motion involves a tremendous task, which will take all the time available for the Committee to deal with it properly.

Hon. W. B. ROSS: I understand that this Committee was selected on the basis of population. I would like that it should be based on the principle of representation. That, I think, would come nearer to fair play.

Hon. G. D. ROBERTSON: It is on that basis now.

Hon. W. B. ROSS: No, it is on the basis of population, as I understand it. In this House the West has 24 members, Ontario 24, Quebec 24, and the Maritime Provinces 24. Let the members of this committee be selected in proportion to these numbers. With regard to the word "ruinous," I would suggest substituting the word "heavy," so that the motion would read, "to relieve the country from its heavy railway expenditure." We cannot relieve it from its railway expenditure altogether: nobody hopes for that.

Hon. Mr. BELCOURT: Why not adopt the suggestion of my right honourable friend, to use the word "excessive"? I do not think that hurts anybody.

Right Hon. Sir GEORGE E. FOSTER: Instead of "excessive" you might use the word "unnecessary." I do not think we can ever get rid of the railways, and the expenditure for them which is absolutely necessary, but we ought to try to relieve ourselves from any expense that is unnecessary.

Hon. W. B. ROSS: Those words are simply prejudging the whole question by saying that the expenditures are excessive, or that they are ruinous. But if you ask the Committee to investigate whether the country can be relieved from any part of its heavy railway expenditure, you leave the whole matter open for discussion.

Hon. Mr. GORDON: I am surprised that there are members, even in this House, who want to eliminate the word "ruinous," because I do not believe they are at all in accord with the present railway policy. I do not think the word "excessive" meets the case at all. For my part I am perfectly ready to see the word "ruinous" left there. As to the Committee, there may be some difference of opinion, but I am surprised to find that there is a man within these four walls who is prepared to say that the policy the railways are pursuing in Canada is anything but ruinous.

Hon. Mr. McMEANS: That does not apply to the Canadian Pacific Railway.

Hon. Mr. GORDON: It applies to the duplication.

Hon. Mr. ROBERTSON: Speaking frankly to the motion of my honourable friend, I think it can be stated as a fact that the liabilities of Canada have been increased by approximately \$100,000,000 during the last twelve months, arising out of railway complications. It is also true that the executive head of the Canadian National Railway has been making some public suggestions with reference to co-operation with the Canadian

Pacific Railway, its great competitor, or mutual action with a view to reducing operating costs. On the other hand, we have had in another place a rather spirited speech by a prominent member advocating absolute amalgamation and consolidation of the two lines under National management.

I am heartily in accord with what is behind my honourable friend's motion, namely, the fear that the public mind will be entirely at sea on the subject unless there is some comprehensive and definite investigation made. It seems to me also that this House can properly and effectively make such an inquiry, perhaps to the greater satisfaction of the country at large than could another House, where political considerations might be more prominent.

As to the personnel of the Committee, any member may on reflection and consideration of the matter at a later date move an addition to or a change in the Committee, but I would not like to see the investigation delayed, as it would be were we not to deal with the motion to-day. I would like to see the motion passed, probably changing the word "ruinous" to "unnecessary." Later on, if any member desires a change made in the membership of the Committee, that can be done.

Hon. Mr. DANDURAND: I think I can make a suggestion which will perhaps meet the various ideas which have been expressed. I would suggest to my honourable friend that he change the word "ruinous" to the word "heavy," and that he add the words "with the right to add to their number."

Hon. Mr. WILLOUGHBY: I would suggest that the railway mileage of the different provinces might well be considered.

Hon. Mr. LAIRD: Before this discussion closes I wish to dissociate myself from any parochial attitude in this matter. In this country we probably go too far, when discussing public questions, in raising local issues, provincial boundaries, etc. But to my mind, this is a matter not so much of provincial as of national importance. We propose to investigate the situation which exists throughout Canada, and the Committee that is proposed for that purpose comprises fourteen members, of whom ten come from Eastern Canada and only four from Western Canada. As I said, I do not wish to be narrow or provincial in this matter; but the representation on the Committee seem to me a little unfair. If the House desires to pass the motion to-day, I think my objection would be met if the mover would add the names of the Hon. Mr. Turriff, the Hon. Mr. Bradbury, and the Hon. Mr. Mitchell. That would give three more members on the Committee to Western Canada. I would so move.

Hon. Mr. DANDURAND: I have no objection to an enlargement of the Committee; but simply rise to say that the statement my honourable friend makes is somewhat unfair when he says there are four from the West and ten from the East. He should not forget that the word "East" on his lips represents a very wide area. I have always thought that in these matters the country could be divided into at least three sections. When we speak of the East there are the Maritime Provinces, which, as we all know, have views on railway matters quite distinct from those of Ontario and Quebec.

The Hon. the SPEAKER: Honourable gentlemen, I understand that it is the pleasure of the House that the motion be amended by striking out the word "ruinous" in the second line, and substituting the word "heavy," and that at the end of the motion there be added the words, "with power to add to their number." That being agreed to, I will put the motion in that form.

The motion, as amended, was agreed to.

DIVORCE BILLS

SECOND READINGS

Bill Y, an Act for the relief of Laura Grace Davis.—Hon. W. B. Ross.

· Bill Z, an Act for the relief of Alice Brouse. —Hon. W. B. Ross.

Bill A2, an Act for the relief of Vera Thelma Gooderham.—Hon. W. B. Ross.

Bill B2, an Act for the relief of Robert Lawrence Anderson.—Hon. W. B. Ross.

Bill C2, an Act for the relief of Pearl Hibbard.—Hon. Mr. Turriff.

Bill D2, an Act for the relief of William John Taylor.—Hon. Mr. Willoughby.

Bill E2, an Act for the relief of Albert Edward Cottrell.—Hon. Mr. Willoughby.

Bill F2, an Act for the relief of Florence May Mott.—Hon. Mr. Haydon.

Bill G2, an Act for the relief of Ellen Mary Harvey.—Hon. Mr. Haydon.

Bill H2, an Act for the relief of Stella Florence Brickenden.—Hon. Mr. Haydon.

Bill I2, an Act for the relief of Frank · Alexander Michel (otherwise known as Frank Alexander Mitchell).—Hon. Mr. Haydon.

Bill J2, an Act for the relief of Thelma Adeline Rose Hands.—Hon. Mr. Haydon.

Bill K2, an Act for the relief of Jean Veronica Margaret Wright.—Hon. Mr. Haydon.

Hon. Mr. LAIRD.

Bill L2, an Act for the relief of Ruth Darcy Blinn McCrimmon.—Hon. Mr. Haydon.

Bill M2, an Act for the relief of Thomas George McElligott.—Hon. Mr. Haydon.

Bill N2, an Act for the relief of Alvin Wesley Richards.—Hon. Mr. Haydon.

Bill O2, an Act for the relief of Cecil Tanner.—Hon. Mr. Haydon.

Bill P2, an Act for the relief of Ruth Ellen McGowan.—Hon. Mr. Haydon.

Bill Q2, an Act for the relief of Edith Kearsley Smith.—Hon. Mr. Blain.

Bill R2, an Act for the relief of James Raymond Armstrong.—Hon. Mr. Blain.

Bill S2, an Act for the relief of Josephine Royant.—Hon. Mr. Blain.

Bill T2, an Act for the relief of Gertrude Margaret Burkart.—Hon. Mr. Blain.

PRIVATE BILLS

SECOND READINGS

Hon. Mr. HAYDON moved the second reading of Bill 21, an Act respecting the Marconi Wireless Telegraph Company of Canada, Limited.

Hon. Mr. McMEANS: Will the honourable gentleman explain the Bill?

Hon. Mr. HAYDON: The Bill, as honourable gentlemen know, has passed the House of Commons. In the Railway Committee of that House some amendments were made placing the control of rates in the hands of the Railway Board.

The Company was first incorporated in 1903. This Bill asks that the name be changed from "The Marconi Wireless Telegraph Company of Canada, Limited," to "The Canadian Marconi Company."

Another clause of the Bill is intended to reduce the par value of the shares of the Company from \$2.50 to \$1.00. This is a matter of internal economy, and one for the shareholders, and the validation of Parliament is asked for.

Section 3 of the Bill provides for a change in wording, if the validation is granted, the new wording following that of the Loan Companies Act. Then there is a section giving the Company power to carry on the business of wireless telephony, its rates to be subject to the control of the Railway Board, rather than, as before, to the control of the Governor in Council.

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

Bill 35, an Act respecting the Mutual Life Assurance Company of Canada.—Hon. Mr. Green. Hon. Mr. GORDON moved the second reading of Bill 39, an Act respecting Joliette and Northern Railway Company.

Hon. Mr. DANDURAND: I would like to ask the honourable gentleman if that is one of the two companies that were so anxious last year to build the line from Joliette to the Transcontinental, and also if the work has been commenced.

Hon. Mr. GORDON: I am sorry that I cannot inform the honourable gentleman whether the work has started; but it is the company—

Hon. Mr. DANDURAND: It is the company we incorporated last year?

Hon. Mr. GORDON: Yes. This is to increase the borrowing powers from \$35,000 to \$40,000 a mile. They find that they require more money.

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

CANADA EVIDENCE BILL SECOND READING

Hon. Mr. McMEANS moved the second reading of Bill W, an Act to amend the Canada Evidence Act as regards the evidence of persons charged with offences.

Hon. Mr. GORDON: Explain.

Hon. Mr. McMEANS: Honourable gentle. men, this is a very important Bill, having to do with the question of evidence given by accused persons. The law of Canada as it is to-day allows an accused person to give evidence on his own behalf, and if he does not do so that fact may not be commented upon by either the judge or the prosecuting counsel. If he gives evidence he may be subjected to a cross-examination as to any previous convictions against him. In England the practice is entirely different. If an accused person gives evidence on his own behalf in England, he cannot be asked whether he has been previously convicted or not except in par-ticular cases; but if he does not take the witness stand the judge may comment upon that fact. The purpose of this Bill is to bring our practice into conformity with the English practice.

I have not introduced this Bill solely of my own motion; I have discussed it with a very eminent judge who has had a great deal of experience in criminal matters, and who is very strongly of the opinion that our law should be the same as the English iaw. There was a case at Red Deer which cau ed a great deal of comment, the press of the country

devoting an entire page to it. A Dane, passing through a small village late at night on his way to a lumber mill, saw a light in a house--it appears that the woman of the house was out at some little entertainment, and that her husband was in bed-and he walked into the house, as far as we know now, evidently intending to sleep there. The woman came back, and when he saw her he rushed out of the house; she called her husband, who jumped out of bed; there was a tussle between the two men, and the foreigner used a knife and killed the other man, who had a large family of children depending upon him. The Dane was pursued and overtaken a few miles out of town; he was surprised and arrested, and was tried for murder. The jury found him guilty. Then they appealed, and the question came up, "Why was he not called or why did he not give evidence on his own behalf?" His counsel had refused to allow him to go into the box to explain anything, and the reason given to the Court of Appeal was that there had been some convictions against him in the country from which he came. He was the only person who could give any evidence of what had really occurred, but in doing so he would be subject to cross-examination. The case was heard by the Court of Appeal in Alberta, and I may say, with the greatest deference to the gentlemen who composed that Court, that they made a mistake. Counsel for the prisoner asked that his evi-dence be taken. The Court of Appeal followed the English decision that, where such evidence is not called in the first instance, the Court of Appeal cannot be expected to listen to it, and the Court said they could not take the evidence. However, they did allow counsel for the defence to state what the evidence would have been if the prisoner had been put into the box, and they remitted the sentence. Instead of finding the prisoner guilty of murder they sentenced him to five years in penitentiary. That judgment did not meet with the approval of the community, because it was felt that the Court should have ordered a new trial.

The reason why a prisoner, if allowed to go into the box, will not take advantage of that privilege, as it may be called, is that if there is a prior conviction against him he is afraid of two things: first, that the jury will not believe him; and, secondly, and probably the more important, that a very severe sentence will be imposed upon him in the event of his being found guilty.

There is really no protection to the prisoner if he does not go into the box. Although the

law provides that neither the judge nor the prosecuting counsel may comment upon that fact to the jury, yet the jury are there and are aware of it. They know that a prisoner may give evidence if he so desires, and the provision that his refusal to do so may not be commented upon does not, in my opinion, afford very much protection, because the jury draw their own conclusions. If we follow the English practice, in which the accused cannot be cross-examined on previous convictions except in the particular cases I have just read, there is no excuse whatever for the accused not giving evidence and, if he does not go into the box, the judge may comment to the jury upon the fact that the prisoner, having the privilege of giving evidence, has not done so.

It is not my intention to press to have the Bill passed this year. My desire is that it should be referred to a Special Committee of this House, to take such means as may be deemed advisable to collect facts. The Bill can be sent out to the judges throughout the country and to the different Attorneys General. When their answers and opinions come back-which will be, of course, next year-the Bill can be re-introduced and we shall then have the advantage of their experience. A similar procedure was fol-lowed in connection with a former Bill presented in this House with regard to criminal appeals. The inquiry took two or three years. Every Chief Justice and every Attorney General in Canada had a copy of the the Bill, and the Committee had advantage of their experience and opinions in coming to a conclusion.

Hon. Mr. DANDURAND: I suggest that, if it is the desire of the Senate to refer this Bill to a Special Committee, when the Bill itself is distributed to the various Attorneys General and judges, it should be accompanied by the remarks of my honourable friend.

Hon. Mr. McMEANS: I do not think that will be at all necessary.

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. McMEANS moved:

That this Bill be referred to a Committee composed of the following Senators: Messrs. Belcourt, Dandurand, Pardee, Haydon, Willoughby, Ross (Middleton). Tanner, Barnard, Lynch-Staunton, Beaubien, Girroir, and the mover.

I may say, honourable gentlemen, that I have simply selected honourable members who are lawyers.

Hon. Mr. McMEANS.

The motion was agreed to.

The Senate adjourned until Tuesday, May 5, at 8 p.m., daylight saving time.

THE SENATE

Tuesday, May 5, 1925.

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

Prayers.

HON. SIR JAMES LOUGHEED-

HIS RETURN TO THE SENATE

Hon. Mr. DANDURAND: Before we proceed, will you allow me to say that I believe I express the sentiment of all the members of this Chamber in welcoming Sir James Lougheed back amongst us. It is a very great satisfaction indeed for us all to find him in his old form. I may tell him that we all felt quite lonesome during his absence.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it is more than difficultalmost impossible-to give voice to one's feelings on an occasion like the present, particularly after such very kind sentiments have been expressed. I feel that I cannot repay the indebtedness which I owe to my colleagues in the Senate for the sympathy, kindness, and consideration which they extended to me during my illness. I need not say that this was done entirely without regard to the side of the House on which we sit. It was especially touching to me that no distinction was observed in the kindness of my fellow Senators during that time. If there is anything that would compensate a man for suffering a severe illness, it is the sympathy and the kindness which are expressed by his friends from time to time under those trying circumstances, and I may say that I have realized that to the full. I had the opportunity to form a new and enlarged view of the humanity and the goodness of my fellow-men, and I assure you, honourable gentlemen, that as long as I live I shall cherish the memory of the very sympathetic consideration which was shown to me during that time.

Routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill F3, an Act for the relief of Dorothy Strathy.—Hon. Mr. Pope.

Bill G3, an Act for the relief of Minnie Williams Goldberg.—Hon. Mr. Gordon. Bill H3, an Act for the relief of Ruth Dorothy Rutenberg.—Hon. W. B. Ross.

Bill I3, an Act for the relief of Charles Arthur Sara.—Hon. W. B. Ross.

Bill J3, an Act for the relief of Frederick George Randall Lacey.—Hon. W. B. Ross.

Bill K3, an Act for the relief of Mollie Weiner.—Hon. Mr. Harmer.

Bill L3, an Act for the relief of Norma Evelyn Stevens Hammond.—Hon. Mr. Harmer.

CANADIAN NATIONAL RAILWAYS' DEBT

INQUIRY

Hon. Mr. TAYLOR inquired of the Government:

(1) What additions were made to the funded and unfunded debt of the Canadian National Railways and affiliated Companies during each of the years 1918 to 1924, inclusive?

(2) What was the total amount required for interest on funded debt of the Canadian National Railways and affiliated Companies during each of the years 1918 to 1924, inclusive?

(3) What was the operating surplus or deficit during each of the years 1918 to 1924?

Hon. Mr. DANDURAND: I have no answer for the honourable gentleman, because his inquiry goes back to some time prior to the organization of the Canadian National Railways, and the data must be obtained from other sources. It may take some time for the information to be procured for the preceding years. If the honourable gentleman intends only to cover the administration of the railways since they have been merged into one system, he should perhaps alter his questions and get a prompt answer.

The inquiry stands.

INSPECTOR OF PENITENTIARIES INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Is the position of Inspector of Penitentiaries, for which Lieut.-Col. Eric McDonald, D.S.O., M.C., was an applicant, permanently filled?

2. Was any person acting as such Inspector? If so,

(a) Who?

(b) During what dates?

(c) What is his place of residence and present occupation?

3. If the person who was acting is not now filling the position why was he retired from it?

4. What are the names, places of residence and occupations of the persons who were applicants for the position?

5. Are any of the applicants returned soldiers, and if so which ones?

6. What is the standing of each applicant on written examinations given them by the Civil Service Commission?

7. What are the qualifications required of applicants stated in the notice of the Civil Service Commission calling for applications?

Hon. Mr. DANDURAND: I have an answer for the honourable gentleman, but it is not as complete as he would seem to desire. The answer to the first question is No. The answer to No. 2 is Yes. (a) G. R. Jackson; (b) March 4, 1924, to December 24, 1924, inclusive; (c) 34 Fourth Avenue, Ottawa. Present occupation not known.

The answer to the third question is: Expiration of certificate of temporary employment.

As to the fourth question, I have a list of names of some forty-eight applicants, which I would have some diffidence in giving, because I am not sure that it should serve as a precedent, or that it is right to publish a list of all the applicants.

As to question No. 5, I would readily communicate the answer to my honourable friend privately, but would not like to put it on Hansard, because then it would be open to public examination, and in thousands of cases we would have somebody asking for the lists of the various aspirants and their ratings, which I do not believe would be conducive to the good and efficient service of the Civil Service administration.

As to No. 6, I give to my honourable friend the list of the candidates, from which he can get the details for himself. Only three candidates qualified for oral examination as a result of the written examination and the ratings on education and experience. Colonel Eric W. McDonald had the highest rating. I can give to my honourable friend the ratings of the other candidates if he wants them for his own satisfaction.

The answer to No. 7 is: Education equivalent to high school graduation and preferably university training; experience and training of such a nature as to develop the powers of observation; ability to make inspections and reports on the work, discipline, and general conduct of the different penitentiaries; knowledge of processes of manufacture of penitentiary products; knowledge of the nature and prices of the commodities used in manufacturing and the manufactures produced within the penitentiaries; tact, intelligence, integrity, and alert mind and good perceptive faculties.

Hon. Mr. TANNER: I suppose my honourable friend can tell me if this man Jackson who was temporarily filling the place was a returned soldier or not?

Hon. Mr. DANDURAND: I do not know I can only speak by the document which I have in hand.

TRADE AND IMMIGRATION COM-MISSIONERS

INQUIRY

Hon. Mr. BEAUBIEN inquired:

What is the name, present post, salary, allowances for living and contingencies, if any, and total yearly expense to the country of each Trade or Immigration Commissioner, or representative of Canada?

Hon. Mr. DANDURAND: I have the answer for the honourable gentleman. I will lay it on the Table without reading it:

Department of Agriculture-Name: W. A. Wilson.

Title: Agricultural Produce Marketing Agent, London, England.

Salary: \$5,040.

Living Allowance: \$1,200. Total Expenses for 1924-25: \$8,844.47.

Department of External Affairs-

- High Commissioner's Office, London:
- Representative: Hon. Peter C. Larkin. Present Post: High Commissioner for Canada. Salary: \$10,000 per annum. Living Allowance: \$5,000 per annum. No further payment to the Representative. Paris Agency Office, Paris, France-Representative: Philippe Roy. Present Post: Commissioner General for Canada. Salary: \$12,000 per annum. Living Allowance: \$2,500 per annum. No further payment to the Representative. Canadian Representation at Washington-Representative: M. M. Mahoney. Present Post: Representative, Department of External Affairs at Washington. Salary: \$5,000 per annum. Living Allowance: \$1,800 per annum. No further payment to the Representative. Canadian Representation at Geneva-Representative: W. A. Riddell. Present Post: Dominion of Canada Advisory Officer,
 - League of Nations.

 - Salary \$6,000 per annum. No further payment to the Representative.

DEPARTMENT OF TRADE AND COMMERCE

Trade Commissioners and Assistant Trade Commissioners	Present Post	Salary	Living Allowance	Contingent expenditure for last completed year 1923-1924	Total yearly expense 1923-192	e e
		\$	\$	\$ cts.	\$ c	ets.
C. M. Croft, Actg D. S. Cole A. S. Bleakney. Y. Lamontagne, Asst. E. L. McColl H. A. Chisholm. G. R. Stevens. R. S. O'Meara, Asst.	Calcutto	$\begin{array}{c} 2,040\\ 3,180\\ \{3,900\\ \{1,920\\ 3,900\\ 4,100\\ \{3,540\\ \{3,540\\ \},010\\ \{3,540\\ \{3,540\\ \},010\\ \{3,540\\ 1,100\\$	$\begin{array}{c} 1,200\\ 1,200\\ 900\\ 2,000\\ 2,000\\ 1,500\end{array}$	$ \begin{array}{c} 7,391 & 73 \\ 8,733 & 62 \\ 14,392 & 28 \\ 14,493 & 04 \end{array} $	$12,561 \\ 11,771 \\ 16,653 \\ 20,292 \\ 20,593 \\ 22,238$	73 62 28 04
A. F. MacEachern, Actg	Dublin	2,040 2,040	1,125 900	established 8th Dec., 1924	22,238	
J. D. Wilgress Jas. Cormack J. F. Smith		4,800 4,800 3,180 (4,620	1,200 1,200 1,000 1,200	$\begin{array}{r} 8,807 & 65 \\ 9,275 & 64 \\ 10,173 & 24 \end{array}$	$14,807 \\ 15,275 \\ 14,353$	64
H. A. Scott, Asst H. Watson D. H. Ross	Liverpool London Melbourne		900 2,000 2,000	$\begin{cases} 9,957 & 66 \\ 18,481 & 63 \\ 14,672 & 81 \end{cases}$	$18,597 \\ 26,241 \\ 22,432$	63 81
W. Mcl. Clarke J. J. Guay, Asst F. Hudd	Mexico Milan New York	$\begin{array}{c} 3,360 \\ \{5,000 \\ 1,920 \\ 3,540 \end{array}$	2,000 1,500 1,125 2,000	$ \begin{array}{c} 10,343 & 75 \\ 14,506 & 98 \\ 16,203 & 01 \end{array} $	15,703 24,051 21,743	98
H. R. Poussette	Paris Port-of-Spain Rio de Janeiro	3,900 5,280		8,051 89 established June, 1924	$13,451 \\ 6,080$	89 00
 M. Palmer. M. Cosgrave. A. B. Muddiman. A. E. Brvan. 	Rotterdam Shanghai Singapore	3,180 3,180 3,000 3,360 $\{4,620\}$	2,000 1,700 1,500 2,000 2,000	8,035 14 11,828 45 12,041 92 11,239 91	$\begin{array}{c} 13,215\\ 16,708\\ 16,541\\ 16,599 \end{array}$	45 92
Commercial Agent:	Kobe	4, 620 (2, 040 486 64	2,000 1,500	<pre>{19,113 04 13 36</pre>	29,273 500	~-

Hon. Mr. DANDURAND.

MAY 5, 1925

DEPARTMENT OF IMMIGRATION AND COLONIZATION

Name	Present Post	mander VTT AMATER	Yearly Salary	Yearly Allowance
		and the second second	\$	\$
Sullivan, W. H	Im. Agt., Gr. 3	Ellis Is., N.Y	2,400	78
Grant, Hubert	1mm. Inspr	Ellis Is., N.Y	1,320	42
Stahl, James	Imm. Agt., Gr. 2	Boston, Mass	2,160	42
Villiams, T. B Creery, Wm Lister, J. B	Div. I. Inspr., Gr. 2	London, Eng.	$3,300 \\ 1,980$	50
Lister, J. B.	Imon Isnpr	Seattle Wash	1,560	30 30
JOWIDY, M. A	EIII. Agt. Gr. 2	Boston, Mass	2,400	50
Nethery, W. S Broughton, C. J	Em. Agt. Gr. 2	Columbus, O	2,400	50
Broughton, C. J	Em. Agt. Gr 3	Chicago, 111	3,000	50
MacLachlan, J. M	Em. Agt. Gr. 3	Detroit, Mich	3,000	50
Pilkie, A. E Brooks, A. E	Em. Agt. Gr. 3	DesMoines, Iowa DesMoines, Iowa	$2,640 \\ 1,560$	50 50
Black, W. E	Em. Agt. Gr. 2	Fargo, N.D	2,400	50
IcDonell, D. N		Fargo, N.D	1,560	50
Charette, G. J	Em. Agt. Gr. 2	Fall River, Mass	1,920	50
Cook, G. A		Great Falls, Mont	2,400	50
Fraser, W. J.	Em. Agt. Gr. 1	Great Falls, Mont	1,560	50
Harrison, F. A	Em. Agt. Gr. 3	Harrisburg, Pa Indianapolis, Ind	3,000 3,000	50 50
ohnstone, M. J	Em Agt. Gr 3	Kansas City, Mo	2,880	5(
mith, C. E	Em. Agt. Gr. 1	Kansas City, Mo	1,560	5(
aurier, C. A	Em. Agt. Gr. 2	Manchester, N.H	2,400	50
Riordon, J. B	Em. Agt. Gr. 2	Portland, Me	1,920	5(
Iaddeland, Knute	Em. Agt. Gr. 3	St. Paul, Minn	2,640	50
Bracken, W. D Porte, J. L	Em. Agt. Gr. 1	St. Paul, Minn	• 1,560	50
Rutledge, O. G.	Em Agt. Gr. 2	Syracuse, N.Y	3,000 2,400	50
Roche, Gilbert	Gen. Im. Ast. Pacific	Syracuse, IV. I	2,100	00
	Coast	San Francisco, Cal	3,500	90
Delorme, L. A	Em. Agt. Gr. 2	Woonsocket, R.I	1,920	5(
Featherston, J. E		TT TZ	1 000	
Kerr, F. W	Canada in China Em. Agt. Gr. 3	Hong Kong	$4,200 \\ 3,000$	2,00
Allen, C. A.		Liverpool, Eng Glasgow, Scot	3,000	5(5(
othian, David E	Em. Agt. Gr. 2	Aberdeen, Scot	2,040	50
ough, J. H	Em. Agt. Gr. 3	Belfast, Ireland	2,640	50
story, Wm	Em. Agt. Gr. 1	Dublin, Ireland	1,560	50
Campbell, F	Em. Agt. Gr. 3	Cambridge, Eng	3,000	50
Cardale, J	$Em. Agt. Gr. 3. \dots$	Bristol, Eng.	$3,000 \\ 2,400$	50 50
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lornsey, Geo Friffith, Wm	Em. Agt. Gr. 3	Bangor, Wales,	2,640	5
Jurphy, D. J.	Em. Agt. Gr. 3	Southampton Eng.	2,760	50
IacDonald, Miss A	Em. Agt. Gr. 2	Inverness, Scot	1,920	50
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Cotsworth, F. B	Em. Agt. Gr. 1	?	1,560	50
Aitchell, J. A.	Em. Agt. Gr. 3	Antwerp, Belg	2,640	50
Chapdelaine, J. A. Cormier, O. Belanger, E.	Em. Agt. Gr. 1	Antwerp, Belg	1,560	50
Colunger E	Em. Agt. Gr. 2	Paris France	1,920	51
Buchanan, G. A. B	Em Agt. Gr. 2	The Hague, Holl	$2,640 \\ 1,920$	50
eps, J. A.	Em. Agt. Gr. 3	Danzig, Ger	2,640	81
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CANADIAN NATIONAL RAILWAYS' RADIO PLANTS

INQUIRY

Hon. Mr. LYNCH-STAUNTON inquired of the Government:

1. What is the cost to date of all radio plants in connection with the Canadian National Railways? 2. What is the monthly cost of operation of said plants?

3. What is the monthly revenue derived therefrom?

4. What commercial purpose do these plants serve?

Hon. Mr. DANDURAND:

1. The capital cost of Radio broadcasting stations owned by the Canadian National Railways at March 31, 1925, was \$40,324.08. This amount includes \$18,259.59 for the Ottawa station, \$22,058.17 for the Moncton station and \$6.32 in connection with the Vancouver station.

2. Monthly cost of operating these stations is: Ottawa, \$1,579.13; Moncton, \$987.18.

3. No direct revenue, but the Management have ample proof, based upon reports from their Traffic Department, that the advertising obtained by the aid of these stations has resulted in increased earnings for the railways. During the month of January, 1925, there were broadcasted ten programmes from the Ottawa station; the Management received 3,122 telegrams, cards and letters acknowledging the broadcasts, or an average of 312 per concert. The acknowledgments were received from all sections of Canada, practically the entire United States, and Cuba.

The average number of communications received per broadcast from the station at Moncton is 350. These are received from the Maritime Provinces, Newfoundland, New England States, Quebec and Ontario, etc. In a recent mail the officials received at Moncton fourteen letters from the British Isles acknowledging receipt of the broadcast, and it is fair to assume that the interest displayed by the receipents will result in increased business to the railway.

4. Advertising and publicity.

NOVA SCOTIA COAL MINES DISPUTE

DISCUSSION AND INQUIRY

Hon. G. D. ROBERTSON rose in accordance with the following notice:

That he will call the attention of the Senate to the serious conditions in the coal mining districts of Nova Scotia, and inquire what if any action the Government intend to take in order to bring about a settlement of the dispute between the Miners and The British Empire Steel Corporation.

He said: Honourable gentlemen, in bringing this question to the attention of the Senate, I do so without any intention of making a critical analysis of the difficulty in Nova Scotia, and without any intent or desire to condemn or approve the actions of either party to the dispute. I do respectfully suggest, however, that this is a situation that deserves the attention of Parliament, and perhaps more serious consideration at the hands of the people of Canada than it has received up to the present time, because some time since it reached a point when it was no longer a local industrial dispute, but had become a matter of public interest to the people of Canada far removed from the scene of the dispute itself. That is the particular reason why I make bold to bring this subject to the attention of the Senate, remembering as I do how a similar situation was created some years ago, and how it gained momentum as it became the subject of public knowledge and public interest the country over, in 1919. It is not desirable that the people of the country should be excited or their minds unnecessarily inflamed over an industrial dispute that may exist in any locality, because very often misunderstandings and misconceptions arise which it takes years to straighten out and to eradicate.

I would crave the indulgence of the House for a few moments to review, in more or less detail—mostly less, I hope—some of the conditions that I think have led up to the present situation. I remember these partly because of the fact that for a period of four years, when a member of the Government, I had rather intimate knowledge and close association with this problem at that time.

There is in the province of Nova Scotia a very well-developed industry in coal and steel, with a capacity far in excess of the market available for the finished product of the industry. I think it is true to state that since wartime more miners and more mines have been available for operation and employment, than the market at present justifies. That is one of the reasons why it has been difficult, and most of the time impossible, to give reasonable continuity of employment to several thousand men who ought to have been steadily employed. In this connection I desire to connect up the Federal Government itself, and to suggest to my honourable friend the leader of the Government that the Federal authorities might interest themselves in that phase of the problem.

There has been established in Canada a means whereby it was expected—and I think that expectation has been realized to a large degree—that returned soldiers would be placed on land. Among the miners of Cape Breton there are something like 4,000 returned soldiers, very many of whom were born and reared on Nova Scotia farms, and who have had experience in and knowledge of farm life and work. It occurs to me that it would be rendering a good service, not only to them but to the whole community and to the country at large, if special attention and effort were directed towards placing a number of those men in other parts of Canada, where there is more reasonable prospect of them being successful, taking advantage of the Soldier Settlement scheme, or something equivalent to it.

In 1909 there was a long-drawn-out industrial dispute in this same territory. It lasted something like six months—during a whole winter. And I found in 1918, when investigating the situation as it then existed, that much of the difficulty and misunderstanding was the outcome of that long and bitter struggle that had occurred in 1909, the memory of which was still fresh in the minds of many of those men.

I found in 1918 that it was necessary to endeavour to have all concerned forget the past, and look at their mutual interests as they existed at that time, and to look forward to the future of the industry, rather than to fight over what was then merely history. The situation in the mining areas in Nova Scotia in 1918 was that the production of coal had so decreased in quantity that there was not sufficient coal to meet the then existing demand. The Government of Canada, through its then Prime Minister, requested the Dominion Iron and Steel Company, as the producing company was then known, to increase the production in order to accommodate ships that were then in Halifax and Sydney Harbours waiting for bunker coal but loaded for overseas. The president of the Dominion Coal Company stated to the Prime Minister in my hearing that the difficulty was that the miners in Nova Scotia were wilfully and voluntarily restricting the production of coal. That seemed to me an inconceivable situation, and in discussing it with the president of the company in the presence of the Prime Minister and one or two members of the then Government, it developed, on investigation of figures produced, that instead of there being a decrease in the production of each man per day there had been an actual increase of approximately seven-tenths of a ton per man per day. The miscalculation had arisen because the calculation was orginally based on the total number of men employed in all departments of the mine, and not on the number of men actually engaged in the production of coal.

Hon. Mr. DANDURAND: That was in 1918?

Hon. Mr. ROBERTSON: That was in 1918. Investigation at that time further revealed the fact that the compensation paid to coal employees in Nova Scotia had not increased in anything like proper proportion or in proper relation to the increase in the cost of living, or the increase in wages to workmen generally since the outbreak of the war up to that time. The Halifax shipyards had been largely extended, and a number of other important industries had been established in the Maritime Provinces: labour was in demand, and men could get more money working in the sunlight and in the free air than by going under the ground to dig coal. Being human like all the rest of us, they felt inclined to work where they would get the best wages under the most satisfactory conditions. Therefore it was necessary to increase the compensation of those men in proportion to the increase granted to labourers generally by reason of war conditions.

In discussing that, first with a committee representing the men and the manager of the Company at Sydney, and subsequently with the Board of Directors of the whole Company at Montreal, a tentative agreement was reached, subject to confirmation by the representatives of the men and the men themselves, which was subsequently obtained, and an adjustment of what threatened to be an acute situation was brought about in 1918.

It is true that the adjustment at that time left the compensation of the Nova Scotia miners approximately 30 per cent below the prevailing rates for similar workers in other mining areas of Canada and the United States. However, I would submit that that was not altogether unreasonable, because of the fact that prior to the war and up to that time the cost of living in our Maritime Provinces had not been as high as in other parts of Canada. In addition to that, everyone who knows anything about the Nova Scotia mining area knows that the cost of producing coal and bringing it to the surface in that area is much greater than in other areas where coal is mined.

Hon. Mr. BELCOURT: May I ask my honourable friend if the miners were not provided with houses at that time in addition to their wages?

Hon. Mr. ROBERTSON: In reply to my honourable friend I would say that they were in most cases supplied with what were called houses. In some cases they were perhaps reasonably comfortable, but in the large majority of cases I am sure my honourable friend would agree, if he saw them as I did, that they were not what would be termed reasonably comfortable homes for workmen. But that is aside from the question that is before us now.

A further settlement was made in 1919 by direct negotiation between the employers and the miners, and gradually, but constantly, an attempt was made, with some success, to restore the lost confidence and to establish the feeling of trust in each other which was necessary to the satisfactory carrying on of the industry.

Hon. Mr. BELCOURT: What was the cause of that want of confidence?

Hon. Mr. ROBERTSON: I think I explained that a few minutes ago.

Hon. Mr. BELCOURT: The difference in wages?

Hon. Mr. ROBERTSON: No; the trouble in 1909, when men had been shot down in cold blood, and their families thrown out on the street. I think I said that in 1918, when this problem came before us again, the bitterness that existed from 1909 was still present.

Hon. Mr. BELCOURT: I understood that, but my honourable friend did not explain what was the cause of the difficulty in 1909.

Hon. Mr. ROBERTSON: I beg the honourable gentleman's pardon. Now, in 1920 again because their contracts were renewed, with some little variations, by agreement in 1918, 1919, and 1920, and the agreement of 1920 was made to run till December 1st, 1921—over a period of those four years, from 1918 to 1921, there was a constant advance in the direction of overcoming that distrust and creating confidence, and of making agreements which both parties respected and carried to their conclusion.

On December 31st, 1921, the agreement expired. They attempted to negotiate a new one together in 1922 and failed. At least there was an effort made to maintain the same relationship and encourage it, but a strike was called, somewhat suddenly, and almost before the strike was called military forces were thrown into Nova Scotia. I do not intend to go into the details of the history of that. It was contended strongly at the time that it was wholly unnecessary.

Again, in 1923, as honourable gentlemen will remember, all the standing army of Canada from Winnipeg east was thrown into Nova Scotia—cavalry, infantry and artillery a period of several weeks. I want to say to Hon. Mr. ROBERTSON. this House that it is my firm belief that that policy was not calculated satisfactorily to settle and adjust industrial disputes, or to encourage co-operation and inspire confidence as between employer and employee.

I am not going to enter into a debate or argument as to whether or not it was necessary to take that action on the part of the Government, except to point out this clear fact, that last year Parliament changed the law and made it necessary and compulsory that the Attorney General of a Province should requisition military aid before it would be sent into a Province, for the party requisitioning the aid would have to bear the cost.

Right Hon. Sir GEORGE E. FOSTER: Who asked for the military aid before?

Hon. Mr. ROBERTSON: The aid was asked for by the County Judge in Cape Breton.

Hon. Mr. DANDURAND: The Department of Defence had no option but to answer the call.

Hon. Mr. ROBERTSON: I am not complaining of what was done, but I want to point out how unnecessary it was. This year there has been a struggle going on down there for two months. Troops could not be sent unless requisitioned by the Attorney General. They have not been so requisitioned, but notwithstanding that approximately 28,000 people are on the verge of starvation, certainly in dire want, there has not been one dollar's worth of property destroyed, or one bit of injury done to an individual. It seems to me that that is the most eloquent proof that it was unnecessary and a mistake to rush the military forces of Canada into Cape Breton in two successive years to make at least a display of force against those apparently quitely disposed and peaceable men.

I want to make one other observation. In my opinion there are too few Federal laws that have for their object the binding together of the various parts of this widespread and farflung Dominion. One of those laws was the Industrial Disputes Investigation Act, in force from 1907 until last year. The people of British Columbia and of Nova Scotia were equally interested in the operation and administration of that law and its effects, and it was one of the few pieces of legislation outside of criminal law that affected people equally in every part of the country.

By reason of the action of the Federal Government in sending all the military forces east of Winnipeg to Cape Breton in 1923, a little industrial dispute arose in the hydroelectric field in Ontario, and the Minister of Labour stated, I think in Parliament, that the reason why he insisted upon the establishment of a Board of Conciliation in that case -which subsequently led to the litigation which destroyed the Act-was because there was no military force available in Ontario, and he anticipated and feared a riot in Toronto. Therefore the loss of the Industrial Disputes Act of Canada lies directly at the door of those responsible for taking that action which brought about that result. At the same time Canada has a right to feel glad, and indeed relieved, that the amendment to the Militia Act made last year has shown itself to be so wise and satisfactory in its operation.

Now, advancing a step further, as to whether either Provincial or Federal Government should have come to the aid of these distressed people in Nova Scotia, at first sight one would say no—that the Government ought not to dispense charity to people in a particular locality; that it is not a good practice. With that view one might be in accord if there was no responsibility on the part of the Government for bringing about the situation which required the assistance or relief.

During the whole period from 1918 to 1924 the Federal Government, through its Department of Labour, felt an interest in, and apparently did everything it could to maintain and establish, industrial peace in that locality, until 1921, when the activities of the Militia Department were added, and the Government of Canada apparently became more deeply interested in the steel and coal industry than ever before. But suddenly, in 1925 they turn around and say: "It is none of our business; you can starve, you can do anything you like, but it is none of our concern, and we are not going to help." I must leave it to the Government to give its own explanation, if it sees fit to give any, for that change of attitude; but I think, to say the least, it is very unusual, and indeed a matter that ought to be explained, why no reasonable effort has been made to follow in the direction of conciliation and if possible arbitration of the dispute that is becoming a matter of public importance far outside the locality where it exists.

Hon. Mr. DANDURAND: Would the honourable gentleman kindly explain what has been the change of attitude of the Federal authorities, outside of the change which came about from the alteration in the law which my honourable friend approves? Because the sending of militia was not the act of the Federal authorities; it was the law which forced the Federal Government to answer the

call when it was made by the local authorities.

Hon. Mr. ROBERTSON: I must respectfully differ with my honourable friend the leader of the Government as to it being necessary to comply with the request of the judge in Nova Scotia to send the troops that were sent; and for two reasons: first, I do not think that it was within the power or jurisdiction of that gentleman to requisition troops outside of the military district in which he was located; second, I do not think it was within his jurisdiction to dictate to the Federal Government. The Federal Government had the right to exercise its own judgment over its own military forces, as to whether or not it was necessary to send the forces that were sought. In the light of events that have now transpired, it is surely clear to all concerned that it was never necessary.

Hon. Mr. DANDURAND: But the Government would have to change the law.

Hon. Mr. ROBERTSON: No. Let me point out to my honourable friend what occurred under other Governments and under similar circumstances. Honourable gentlemen will recall the difficulty at St. John, N.B., where troops were called for. They were not sent. There were a few Mounted Police sent to preserve order, and they succeeded in doing so. I remember in the town of Thorold, in my own county of Welland, in 1920, where the then Attorney General of the Province of Ontario by telephone one day hurriedly demanded that a substantial force of militia be sent to protect property. We pointed out to him that the Province of Ontario would be expected to bear the expense, and asked if he thought they needed so many. What was the result? The then Attorney General of Ontario immediately found that it was not necessary to send militia at all, but was satisfied with 125 Mounted Police who went over and preserved order, and in the next twentyfour hours took some fifty-eight revolvers from foreigners in the factory who threatened trouble. Therefore I say that there is precedent to indicate that Governments have in the past made some investigation and exercised judgment before going to expense and stirring up the country by sending the militia long distances on account of trivial industrial disputes.

Coming more closely to the troubles that exist to-day, let us see what happened last year. The British Empire Steel Corporation as now constituted entered last year into an agreement with the miners which was to ex194

pire, I think, on December 31st, 1924, in all respects except one. That agreement provided that the rates and conditions were to remain in effect until the end of 1924, that a new agreement should then be negotiated, and that until such new agreement was negotiated, or while it was in process of negotiation, in any case, the maintenance men would be continued on the work. The end of 1924 came. I see by a statement issued by the President of the British Empire Steel Corporation recently that he claims that in the agreement of last year they increased the wages of the men by 7 per cent. At the end of the year the company took the position that the wages must be reduced by 10 per cent. The men said: "No, we will not agree to that. We have not had anything like half-time employment during 1924. We are up to the eyes in debt at the present time and we cannot meet our obligations. We cannot accept any reduction in wages." The employers said, probably with penfect truth: "The cost of production exceeds the price at which we are able to sell the product." We all know that no industry can carry on if that be true. So the employers said: "Accept the 10 per cent reduction that we urge you to take, and we will carry on the industry, keep it going, and give you all the employment possible, and we will have a thorough investigation into this whole matter. When that is over, we will negotiate a contract." That may not be an accurate description of what occurred, but it is the effect of it. The men said: "No, we will not agree to that, but we will tell you what we will do: we will agree to continue to work on the basis of our 1924 wage scale, according to the agreement that we made together last year. Let your investigation proceed; let it be thorough; let it be wide; let it go into the financing of this whole great industry; let us know how much interest has to be earned upon the money that has actually been invested in the property, and all the rest of it. But let the 1924 wage scale continue until that investigation is completed. Then we will discuss a new contract." The employers said: "We will not accept that." What then was the dispute up to that time? It was a question of a 10 per cent reduction in the pay-roll.

Hon. Mr. BELCOURT: May I ask my honourable friend if there was a strike on at the time?

Hon. Mr. ROBERTSON: No. Negotiations were proceeding all this time. Then, when they could not agree, the employing company, as I recall the facts, made an application for a Board of Conciliation under the Industrial Disputes Act. The Board was Hon. Mr. ROBERTSON. established, notwithstanding the fact that the Act itself had been destroyed; but the men said: 'It is useless for us to appear." They sent a written statement, a sort of brief, submitted for the information of the Board, but they did not appear before the Board. It is not my business to censure them or to condone what they did. If it had been a case that I was handling, under other conditions, I certainly would have appeared before the Board. Be that as it may, they did not.

Then, those negotiations falling through, an arbitration process was proposed. I have already referred to the unhappy experiences of the men in the past and the lamentable lack of confidence in their minds towards the employer. I have reason to believe that a number of gentlemen connected with the Company were honest in their desire to reach a satisfactory and fair solution through arbitration methods, but it was not possible to do so. In my humble opinion, it was largely because of those unhappy past experiences of the men. Then what happened?

Hon. Mr. BELCOURT: Why was it impossible?

Hon. Mr. ROBERTSON: The two parties could not agree. I say the men had not confidence in the proposal to arbitrate, and this lack of confidence was due largely to past experience.

Hon. Mr. BELCOURT: No agreement was made?

Hon. Mr. ROBERTSON: Following that, a dispute exists as to who is responsible for what happened. The Company, I understand, hold that the men went on strike. The men say that the Company thereupon withdrew the credit to them in the stores. In many of these mining towns the mining companies own the only store in the place, I am told, and the men have to do their trading at that store. They trade on a credit basis and settle by deductions from their pay. As we know from authentic accounts that have come to us, they had not been working enough and had not been earning enough to pay their bills. Therefore credit was stopped at the company's store, which the men regarded as equivalent to a lock-out or an unfriendly act against them, and they withdrew their services entirely.

Hon. Mr. SCHAFFNER: Did the companies have all the trade, or were there any other stores?

Hon. Mr. ROBERTSON: In most mining towns the companies own the only store in the place. In Glace Bay there were other stores. Hon. Mr. McLENNAN: I think there are very few places if any, where there is only the Company store.

Hon. Mr. ROBERTSON: I accept the statement of my honourable friend from Sydney, but I also make this observation, that only Saturday last I understood that there was to be a meeting held to-day of all the merchants in the town of Glace Bay, and that it was anticipated that they would all go into voluntary liquidation because they could not carry on their business: they had all extended credit to the limit of their ability, and could not meet their obligations.

That brings us up to a very recent date, two months ago, when this conflict occurred. Whether it be a lock-out or a strike matters not, so far as the solution of the trouble at the present moment is concerned. The Prime Minister of Nova Scotia subsequently made a move, which, no doubt, was perfectly honest in its intent, but unhappily did not accomplish much in results. He invited the President of the British Empire Steel Corporation and the President of the United Mine Workers to meet together-in his presence, I assume, because he called the conference at Halifax. Two days were spent in joint discussion of these matters. We have no knowledge of the details of that discussion; all we know is that it resulted in failure.

I do not want to weary the House, but desire to reason this out carefully and frankly. Let us for a moment see what would be the objections of both parties to any capitulation.

Hon. Mr. BELCOURT: Would my honourable friend permit me? I hope he does not mind my interrupting him. What became of the negotiations begun by the Prime Minister? What did they result in?

Hon. Mr. ROBERTSON: I am just trying to explain that the Prime Minister invited these two gentlemen to sit down with him and try to reach a conclusion. None was reached. The meeting broke up without any adjustment being made.

Hon. Mr. BELCOURT: Was any proposal made?

Hon. Mr. ROBERTSON: Oh, yes.

Hon. Mr. BELCOURT: What was that?

Hon. Mr. ROBERTSON: The same proposals that had been made before.

Hon. Mr. BELCOURT: What were they?

Hon. Mr. ROBERTSON: I thought I made it clear to the House a few minutes ago that the employers proposed a 10 per cent reduction in wages and offered to carry on on that basis.

Hon. Mr. BELCOURT: I am given to understand that the Prime Minister of Nova Scotia proposed a new arbitration. I do not know anything about it, but I desire to obtain the information. Will they not accept arbitration?

Hon. Mr. ROBERTSON: I think I made it clear that they had refused to accept arbitration.

Hon. Mr. BELCOURT: That is, the men refused?

Hon. Mr. ROBERTSON: The Prime Minister of Nova Scotia has a Bill before the Legislature now, wherein he proposes to make some provision for the future—

Hon. Mr. BELCOURT: Will my honourable friend say yes or no, whether the proposal for a new arbitration was made by the Prime Minister to both employers and employees who were before him at the time?

Hon. Mr. ROBERTSON: That is probably so. I did not say it was not.

Hon. Mr. BELCOURT: I think it is a rather important thing to know.

Hon. Mr. ROBERTSON: Honourable gentlemen, I stated in reply to my honourable friend that the Prime Minister invited these two representatives to sit down with him to discuss the situation. They discussed it for two days and failed to reach any agreement. Nothing came of the discussion.

Hon. Mr. BELCOURT: But it is surely rather important to know what was discussed.

Hon. Mr. ROBERTSON: I said that we were not in a position to know and did not know what the details would be.

Hon Mr. McCORMICK: I can furnish an explanation with regard to the statement my honourable friend is making, as to the difference between the employees and the company. There are two features to the dispute. The company demanded a reduction of 10 per cent, and the men demanded an advance of 10 per cent. During the negotiations, and at the time my honourable friend is speaking about, when the Premier called them together, the men had consented to forego the 10 per cent advance that they were demanding, and to work under the agreement at the wage

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obtaining in 1924; and, as I understand it, the company refused to make any concession whatever.

Hon. Mr. ROBERTSON: Pursuing-

Hon. Mr. McLENNAN: May I interrupt the honourable gentleman for a moment?

Hon. Mr. ROBERTSON: Yes, to ask a question, certainly.

Hon. Mr. McLENNAN: As I recall, there was an earlier stage before the representatives met Mr. Armstrong, the Premier. It was suggested by him that they should return to work at the 1924 wage. The company accepted and the men did not.

Hon. Mr. ROBERTSON: No.

Hon. Mr. McLENNAN: That was at an earlier stage. Later it was the reverse.

Hon. Mr. ROBERTSON: If my honourable friend is correct, I have no knowledge of that fact. What I want to point out now is the situation existing at the time of the conference which the Prime Minister of Nova Scotia brought about. There was still between the parties the difference of 10 per cent, and 10 per cent for only a temporary period, until a thorough, sweeping investigation into the whole matter could be made by, I assume, impartial, disinterested parties.

Hon. Mr. CASGRAIN: The parties to abide by the result.

Hon. Mr. ROBERTSON: I would respectfully advance the view that if at any time in the future an investigation were entered into, the Commission, or whatever body is established to make that inquiry, should be composed of men from outside the Province of Nova Scotia, not connected in any way with the interests of either the employer or the workmen.

The men declined to make any concession at the meeting with the Prime Ministerwhy? I have pointed out that there was an agreement made between the men and the Company in 1924, and the men were only contending for the continuance of the same rate. The cost of living, according to the Labour Gazette, issued to-day, is a little higher in 1925 than it was a year ago, when that agreement was negotiated. Therefore, from the employees' standpoint there was absolutely no justification for a reduction. While their living cost was just as high, their employment had been very irregular indeed. But they said: "We are willing to carry on at the 1924 rate and let the status quo continue until investigation is held. Then, if you can show us, or if the investigation proves, that

Hon. Mr. McCORMICK.

your statement is true that the cost of production is greater than the receipts obtained, we shall be prepared to negotiate a further agreement with you."

It is also to be observed that, although the Prime Minister, in another place, only a few days ago, congratulated the people of Canada, especially householders and workmen, on the substantial relief that had been effected by way of reduction in the cost of living since the present Administration took office, yet the Labour Gazette for the month of April, which has come to my hand only today, shows that according to the authentic statistics of the Department of Labour itself the cost of living is higher in March 1925 than it was in March 1922, three years ago.

Hon. Mr. BEAUBIEN: Will my honourable friend tell me what difference there is in the cost of living?

Hon. Mr. ROBERTSON: It is very little.

Hon. Mr. BEAUBIEN: Would the honourable gentleman kindly mention that? It seems important.

Hon. Mr. ROBERTSON: I am making no boast as to the extent of it, as the honourable the Prime Minister did. Therefore I do not intend to make the same mistake as he did.

Now, honourable gentlemen, this Nova Scotia situation is peculiar and unique in one respect, as compared with the ordinary industrial dispute. It is not simply a dispute between an employer operating a property which he and shareholders own, and his employees, but there is a third and important party interested, namely, the people of the Province of Nova Scotia. That Province has for many years, and very properly so, obtained a revenue from the production of coal within its boundaries. If I remember correctly, the royalty is $12\frac{1}{2}$ cents a ton—I stand to be corrected if that is not so. During the last half-dozen years or so the average output of the mines of Nova Scotia has been 6,600,000 tons a year: let us say in round numbers that it is 6,000,000 tons a year. If the mines operate 300 days a year-which they do not, that would mean a revenue to the Province of \$2,500 a day. If they operated only half that time, the production would have to be twice as great in order to produce the same But that has been the average prorevenue. But that has been the average pro-duction. Therefore the revenue to the Province is approximately half a million or more dollars per year. The Province of Nova Scotia is absolutely losing that revenue. Furthermore, the people of Nova Scotia in their sympathy are going into their pockets

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and expending their means to help these people who are in distress during the continuation of this trouble.

I hold that no good purpose can be served by an indefinite continuation of this controversy and struggle, because the summer season is the season when the coal is largely produced in the Nova Scotia field. And if, as Mr. Wolvin very properly said, the summer season goes out with the mines tied up, with our limited output and our limited market during winter, distress is bound to be great, and public charity cannot be extended indefinitely. Mr. Wolvin did not say the latter, but I hold it is true that public charity cannot be extended indefinitely to so large a number of people-that the public mind will soon turn in the direction of thinking that there must be a solution found for this difficulty.

Now, if the Province of Nova Scotia is interested, as it is, and is losing a revenue of \$2,500 a day so long as this struggle continues, why in the name of common sense is it not possible for that Province, or someone representing it, or either of the parties to the dispute to suggest that all three come into The Proconference to consider the subject. vince of Nova Scotia should say to both: 'You are both determined to persist to the end in support of your demands, and in justification of the position which you have taken." Now, the Province is losing \$500,000 a year. That amounts to more than the ten per cent which is at stake, because less than 6,000 men are involved in the wage dispute. In my humble opinion, the Province of Nova Scotia could well afford to say to the British Empire Steel Company: "Pay these men the wages you offer plus the ten per cent they are contending for, and deduct that ten per cent from the royalties due to the Province until the investigation is completed." To organize a commission of inquiry and to make the investigation would probably take from thirty to sixty days; but would not that be infinitely better than to prolong the dispute for another sixty days, and result in a situation much worse than it is now, with nothing constructive done in the direction of effecting Can honourable gentlemen a remedy? believe that according to this morning's press 7,000 tons of American coal were landed in Sidney? Is not that a ridiculous situation?

Hon. Mr. PROWSE: There is the argument.

Hon. Mr. ROBERTSON: How long are the people of the country going to continue to be willing to dispense charity to maintain 25,000 workmen and their dependents, when a solution of the difficulty ought to be possible?

Hon. Mr. BELCOURT: May I ask my honourable friend if he has offered his suggestion to the Prime Minister of Nova Scotia?

Hon. Mr. ROBERTSON: I do not assume that I have the right to offer suggestions to the Prime Minister of Nova Scotia, not being a resident of that Province and not being in any way interested; but, as a public citizen of Canada, I felt that I had the right to bring this matter to the attention of the Government, because it has become of serious import, not only to the people of the Province of Nova Scotia, but to the whole of Canada. Therefore I make bold to express the hope that my honourable friend the Leader of the Government in this House will perhaps think it worth while to call the attention of someone-the Premier of Nova Scotia or the Prime Minister of Canada-to the fact that a suggestion of this sort has been advanced. It seems to me that if that solution were acceptable from the standpoint of all concerned, everybody would win. The men could be employed promptly, the mines could operate, and the losses that are being sustained could be stopped, and the Province of Nova Scotia would be getting a little revenue instead of taking a dead total loss.

Hon. Mr. PROWSE: I would like to ask my honourable friend a question. There is something I am a little puzzled about. Is it the fault of the miners or the fault of the British Empire Steel Company that American coal can be landed in Nova Scotia at a less cost than the Nova Scotia coal? It is the fault of either the miners or the Company.

Hon. Mr. ROBERTSON: I have no idea what the cost of coal is, laid down at Sydney, but I presume that the necessity of getting it there is in the fact that the steel plant is operating, and that the coal mines are not.

Hon. Mr. PROWSE: Is it the fault of the Company or the miners?

Hon. Mr. ROBERTSON: That is not for me to say. I have not any information upon which to base an opinion.

I would like to conclude with the observation that for two months now there has been a situation which has been growing more and more serious, distress which has been growing more and more acute, and the two parties to the conflict are apparently getting wider and wider apart. The public already have contributed very substantial sums in cash and substantial quantities in kind to help these people. I am glad of it. I think it is proper that it should be so; I think it exhibits a proper spirit of humanity and kindness in the minds and hearts of the people when they go

to the relief of women and children especially who are in such dire need. But that does not make any advancement towards the solution of the dispute or towards overcoming the difficulties that exist. The Government of Nova Scotia has brought into the Legislature a Bill which, when it is passed, proposes an ironclad, compulsory arbitration law, which says to both parties, "You must accept this," and penalties, I assume, will be provided in the event of the law not being observed. Honourable gentlemen, if employers and employees are in accord, getting along nicely together, having no serious difficulties between them, they could sit down and discuss the desirability of a compulsory arbitration law or agreement to govern their relations probably with some chance of success; but when the relations existing between the employers and the employees are such as exist in Nova Scotia today, I predict that the enforcement of such a law will be impossible, and that it will only increase the antagonism already existing, and perhaps divert it from the employer to the Government. I hold the view that it is a mistake to introduce and attempt to enforce legislation of a compulsory character on either the employers or the employees when they are engaged in a conflict such as is now going on.

Hon. Mr. BELCOURT: Where is the solution?

Hon. Mr. ROBERTSON: In my humble opinion, it is in the direction that I have already pointed out. It seems to me that the employer could not consistently decline to act along those lines, because it gives him exactly what he asks for. The employees, in my opinion, could not consistently decline to go to work and operate those mines if they were receiving the compensation they asked for; and the Province of Nova Scotia, under an arrangement of that sort, would be getting a little direct revenue.

Hon. Mr. BELCOURT: What is the permanent solution, in my honourable friend's opinion?

Hon. Mr. ROBERTSON: Under that arrangement the people of Nova Scotia, outside of the British Empire Steel Company and their employees, who so largely depend upon that industry for their market and indirectly for their livelihood, would be vastly benefited, and I hope my honourable friend the Leader of the Government will give some thought to the suggestions I have made.

I did not intend to enter upon the phase which the honourable gentleman from Ottawa (Hon. Mr. Belcourt) has raised, but just a

Hon. Mr. ROBERTSON.

word in that connection. In my opinion, the only permanent solution that can ever be hoped for is by the gradual building-it must necessarily be gradual-of that confidence without which industrial peace cannot be maintained between employer and employee. That confidence exists in other public utilities in Canada. I state with some authority in that regard, because I happen to have been connected with a class of employees of a large public utility, namely, our transportation system, for twenty-nine years. during which we have not had a dispute which resulted in a clash or a strike, and we have had for seven years past a voluntary court of arbitration to which all disputes which the individual organization and the individual railroad company cannot adjust by direct negotiation are referred by agreement. Up to the present time 247 cases have been submitted to that tribunal, upon which both parties have equal representation; and 247 decisions have been rendered, and 247 acceptances have been registered. I hold that it is possible for any industry to carry on peaceably with its employees, but there must be confidence as the basis of such a condition.

I could cite other industries that followed a similar course in building up over long terms of years such relations with their workmen. In January 1920, I think it was, I had the honour of being invited to the annual labour parliament of the Spanish River Pulp and Paper Company at Sault Ste. Marie, where for two days the President, all the officials of the Company, and some 140 odd employees sat down together and discussed the business of that Company for the next year, its program of operation, and ways and means whereby the cost of operation might be reduced in woods and mills, and everybody seemed to have an equal interest in the prosperity of the industry.

The sending of military forces into a locality where an industrial dispute exists, and the passing of laws intended to coerce either or both parties, will never nor succeed in establishing those relations which can be founded only upon confidence. Unless there is some evidence of confidence shown by the governments who are supposed to govern the people—

Hon. SMEATON WHITE: Suppose my honourable friend's scheme is carried out by the Prime Minister of Nova Scotia, and there is an arbitration, if the arbitration is unfavourable to the men and they do not like it, how would he enforce its decision?

Hon. Mr. ROBERTSON: My honourable friend from Inkerman (Hon. Mr. White) is asking a question publicly that he has asked me privately on a number of occasions, and which I have had pleasure in discussing with him at considerable length. I would say to him publicly, as I think I have said privately, that there is no possibility of what might be termed an absolute guarantee of fulfilment on the part of either party, except there be compulsion, and compulsion, I say, is not a remedy where human beings are concerned, because men in every activity of life demand at least a certain amount of personal liberty and freedom of action.

In connection with the railroad, the organizations with which I am personally connected have for twenty-nine years never broken an agreement, never had a dispute with our employers that has not been solved by negotiation. If we have had difficulties, we have agreed to submit our disputes to a tribunal which we ourselves created, and we have never failed to obtain a satisfactory settlement, which was acceptable to both parties. I say again to my honourable friend from Inkerman that that is-the only, and in my humble opinion—the best, guarantee that can be given to an employer. If his men feel an interest in the industry in which they are engaged and are on friendly terms with their employer, as they ought to be, there is no fear and no doubt of the industry being able to continue to operate without interruption.

I realize that in the coal mining industry it is of the utmost importance that the employers should be able to accurately estimate what their output is going to be, because they have to make a selling contract for coal in advance; and it is a fact, which I think all honourable gentlemen know, that the United Mine Workers, with which these men in Nova Scotia are connected, have a reputation extending over forty years of never having voluntarily broken an agreement. Therefore I hold that the situation there is much the same as that with our railroads, and that if the same spirit of friendliness, co-operation, and confidence could be established between the British Empire Steel Company and its employees as exists on our railroads, for example, there would be no need of worrying about guarantees.

Hon. Mr. BELCOURT: The honourable gentleman has told us it is impossible.

Hon. Mr. ROBERTSON: I hold that it is impossible until that confidence can be built up over a period of years and restored to the position which it should occupy. Hon. Mr. McLENNAN: In the course of your speech, did you not mean that the settlement should be, not ten per cent of an advance on the present wage scale, but the 1924 scale, because the men were ready to accept the 1924 scale?

Hon. Mr. ROBERTSON: My thought, honourable gentlemen, is—I hope I have made myself clear, perhaps I did not—that the mines should operate and the Company pay the 1924 scale less ten per cent, and that the Province should pay the ten per cent during the interregnum, and that when the investigation is completed, everybody being back at work and the mines operating, and some degree of confidence obviously restored, it should be possible to work out an agreement or contract on the basis of the recommendation of the commission, and to continue the industry without any further interruption.

Hon. Mr. PROWSE: I would like to ask the honourable gentleman if he can offer any solution of the trouble at the present time existing down there. Why is it possible for the United States to send coal there in competition with the British Empire Steel Company? I am not exactly sure whether my honourable friend is speaking in favour of the labour or the corporation. Either there is something wrong with the labour or with the Company when the United States can send coal to any part of Nova Scotia, New Brunswick or Prince Edward Island at \$1.20 a ton less than the British Empire Steel Company can deliver it for. There is something wrong somewhere, and what it is I would like to find out, and the public would like to know.

Hon. Mr. ROBERTSON: It is quite probable that if my suggestion were adopted and proved acceptable, the Commission that would operate, might find an answer to that question. I would not presume to answer it.

Hon. C. P. BEAUBIEN: Honourable gentlemen, the matter that has been brought up by the honourable gentleman who has just taken his seat is one of considerable gravity. Confronting one another you have two very large groups—thousands of workmen on one side, and on the other side the largest industrial corporation in this country. My honourable friend has spoken, as usual, with the mentality which is natural to him. I make no reproach to him for having it. He has spoken for the men, and laid their case before you. He has done so in a very moderate way, and not without his usual skill.

The country is too deeply interested in the fight now going on to base its judgment on one side only of the question. If you will allow me, I shall lay before you, as briefly as I can, the other side of the matter. I intend to do it with equal moderation, imitating in that respect my honourable friend's example.

Hon. Mr. ROBERTSON: I do not desire to interrupt my honourable friend, but may I correct him in the impression that I was attempting to make a presentation of this case from the standpoint of the workmen? Had I been attempting to do that, I can assure my honourable friend that the presentation would have been quite different. I have been trying to make a presentation of the facts as I understand them, with a view of a solution in the public interest, including both the employer and the workmen. I have no knowledge, nor have I any reason to believe, that the workmen in Nova Scotia will approve of the views that I have expressed; and I do not want the House to have the impression that I was attempting to make a plea on behalf of those men involved. I was attempting to place the situation from the standpoint of what seemed to me the public interest at this time, and I hope my honourable friend will recognize that that was my intention.

Hon. Mr. BEAUBIEN: Evidently I have been very obscure in what I intended to say. I stated that my friend envisaged the question with his usual mentality, and presented it from that point of view. Certainly I am not justified in changing my mind; that still is my impression.

In dealing with this question before a body like this House, the best way is to present the facts. May I therefore ask you to view with me what part has been played, on the one side by the men, and on the other side by the Company, within these last years of trials through which both have been passing.

I want you to go back with me to 1921, for then the men had reached their goal, that is to say, the highest wages ever known in the country. They had a united front; the United Mine Workers of America had penetrated this country; they had fortified themselves on account of the war and by the war; they had pushed back capital, and increased their wages until in 1921 they rang the bell and got the highest wages they had ever dreamed to get.

But, honourable gentlemen, as the tide rises, so it recedes. Abnormal conditions must be followed by normality. It may take more or less time, but you cannot stop events. Certain conditions go on, and then the reaction sets in. Since then what have we seen? We have seen the United Mine Workers of Hon. Mr. BEAUBIEN.

America within the last two or three years resisting normality, which is gradually gaining on them and forcing their frontier, and the unfortunate condition for us is that a part of their front has been thrown over our In November 1921 the contract country. between the United Mine Workers of America, Section 26, and the British Empire Steel Company, was to expire in thirty days. The The men Company approached the men. asked for a certain delay to think the matter over. It was granted to them. In December a conference took place in Montreal to discuss wages. The Company showed to the men that material conditions rendered impossible to pay the actual wages; that is to say, the Company was between the alternative of either lowering the wages or stopping the sale of their coal. If they did not lower the wages, who would raise the price of the coal in the market for them? Therefore they told the men they could not go on with existing wages: they would have to reduce them.

What did the men do? They refused to discuss any reduction whatsoever. After proper notice, as covered by the contract, the reduction was made in January 1922. Immediately the men made application to the Federal Government for a Conciliation Board, and Mr. Gillen was named as president of the Board, both the men and the Company having chosen their representatives. An award was given by Mr. Gillen. The Company said: "Very well: the tribunal has been chosen; it has judged; we accept." The men said: "We refuse."

Hon. Mr. GORDON: Will my honourable friend permit a question right there? Would he kindly tell us the wages per day of the men at that time, and at each time that they were changed?

Hon. Mr. BEAUBIEN: If my honourable friend will do me the kindness to bear with me for a few moments, I think he will find that his question is not at all necessary. What is important is the wages of today, whatever were the wages of yesterday or of the day before.

The United Mine Workers, after having turned down this award, requested a conference in Montreal. It was granted to them. Their officers went there and negotiated, and made and signed an agreement. One of those men, as honourable gentlemen will remember, was McLachlan; he was at the time secretary of the Association, or of Local No. 26. Then they went down to Nova Scotia, they repudiated the agreement, and the radical element among the Mine Workers dethroned Baxter, who was the respectable president of the Association, took his place, called for an election, and won them over.

In the August that followed another conference took place, and the executive officers again signed an agreement-not for a decrease, but for an increase. What happened? Immediately afterwards a mass meeting was held in Sydney, and they repudiated this second agreement; they called out all their men, leaving the mines without the slightest protection; all the mines being abandoned and left to be flooded and destroyed. All their maintenance men were withdrawn, in violation of a positive clause of their contract, which states that whether a lockout or a strike takes place those maintenance men are bound in honour to stay and do their duty. They were taken away.

In 1922 and 1923 there were two increases in wages. The last one was equal to 7 per cent of the men's wages. Now I will answer my honourable friend. A moment ago I spoke of the highest wages those men had ever Recently, notwithstanding received. the enormous decrease in the cost of living, these men had barely 20 cents less per day than their wages of 1921. That is to say, for the highly paid employe about 2 per cent less, and for the lower paid employe about 3 per cent less than what they got in 1921. That is the position in which those men were in December last when they approached the Company for the purpose of obtaining another increase.

Now, what happened? Please remember that in the last contention between these two forces one of them had twice submitted to the judgment of the tribunal. Twice the company had said: "Yes, Mr. Gillen has Mr. Scott has Further, they passed judgment; we agree. passed judgment; we agree." had made two agreements over their signatures. Both of these the Company was of course willing to respect; but the men threw both aside. The Company met the men in December last, and told them it was materially impossible to carry on with the present wages. But I hear some people say that the Company is making barrels of money; that they have no heart; that they don't think of the suffering. Everybody who can read knows that the Company did not earn interest on its bonds last yeardid not earn interest on the money they had borrowed to carry on. That is the real position; and it was face to face with that situation that they went to the men and said: "We cannot carry on; you will have to accept a reduction of, broadly speaking, 10 per cent." The men retaliated by saying: "We want an increase of 10 per cent."

Now, to make a long matter short, the Company said to the men: "You will accept nothing from us; no evidence will convince you; we are ready to accept judgment, and the judge will be named by one of three courts that you may choose yourself, but by that judgment this time you shall be bound and we will be bound-we agree in advance." What did the men say? "We shall not be bound." What happened later? The Prime Minister of Nova Scotia went to the men and said: "I am going to institute an inquiry, an investigation, and that investigation will pass judgment, and by that both parties will be bound." What did the Company say? The Company said: "Yes, we shall be bound." What did the miners say? "We shall not be bound." The Company could do nothing but cease operations; or, to be more exact, the Company said to the men: "You have quitted work; we have no reasonable basis for credit to be extended to you; we shall close our stores and withdraw our credit." The men are out, and the Company now is waiting until common sense and good judgment come back to those workmen.

And now let us see who is right or wrong? The whole question, honourable gentlemen, is: How much can the Company pay? How much should the men get? I have already told you the Company was incapable last year of earning interest on its borrowed money. What did the men get? Take the Dominion Coal Company as an example: it employs a little over 6,000 men; 3,141 men at present wages-which these men want to increaseget over \$6.91 a day-practically \$7 a day. Of the rest, 1,712 get over \$4 a day-from \$4 to \$6.30. Of the rest, 1,217 get from \$3.50 to \$3.99 a day. There are left 183 boys and old men who do odd jobs, and who are kept on because the Company do not wish to discharge them. A boy may be retained because his mother is a widow. Such employees, 183 out of 6,000, receive less than \$3.50 a day. Practically 5,000 get over \$4 a Let us compare that with what those day. people could earn elsewhere. That is a fair test.

Some kind-hearted minister—I think it was Rev. Mr. McEvoy, speaking very eloquently—

Hon. Mr. ROBERTSON : Before my honourable friend leaves the question of wages may I say that I have received in my mail tonight—I have been away for a couple of days—a communication with reference to the general question of unemployment. In that letter is a statement that the miners in Nova Scotia averaged 76 days' employment last year. I wonder if my honourable friend could tell us whether or not that is correct? Hon. Mr. BEAUBIEN: I do not know, but it is quite evident that a company is in business to make profits, and for that purpose it must do business. It is obvious that when it is not doing business it must be prevented by a very serious cause. I am trying to show my honourable friend what is the cause. Knowing what the trouble is, perhaps he will come to my conclusion, that there is no use in applying a little liniment on a cancerous ulcer, even if it is applied by a kindly hand. It will not effect a cure.

Now let us consider what these miners get. Let us take them by the hand and lead them away from these dark pits where they are so badly treated. Let us take the skilled men in the mines of Nova Scotia, who earn \$7 a day, and see what they could earn elsewhere. I am consulting the official document. "Wages and Hours of Labour in Canada," published in 1925. In Nova Scotia those men might be carpenters. Carpenters earn \$4.56 a day. Painters get \$5.28 a day; plumbers, \$4.80 a day; stonecutters, \$5.90 a day; electrical workers, \$4.80 a day. There are only two trades, the bricklayers and the plasterers, that earn as high as \$7.30 a day-only two callings where these men could get their average wage; for they earn from \$6 up to \$12 and \$15 a day.

As to the labourers, what do you think they earn? Do not forget that the men in and about the mines earn \$3.50 and more a day. What do labourers in Nova Scotia earn? A wage of \$2.80 a day.

Now let us see what they could earn in other mining enterprises in Nova Scotia, in the mining of metal—coal, silver and nickel. I am hurrying through the statistics of wages, as I see them; I am omitting none. This is how the present wages read: \$2.50, \$3, \$3, \$2, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3, 50, \$2.50, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$3, \$50, \$2, \$2, \$4, \$3, \$3,50, \$2.50, \$3, \$3, \$50, \$2, \$0, \$2.50, \$2.50, \$2.50. That is hardly half of what these men are getting at the present time.

But I think I can give my honourable friend a rather convincing argument. I have always had the greatest respect for the Union of which he is a member. Indeed no union in the land has been able to obtain for itself fatter wages. But I must say that, comparing the wages of the railway men with those of the miners, I am rather surprised. Let us see what the railway men earn-and my honourable friend may perhaps take a leaf out of this book to defend his Union some day on the floor of this House. Take the conductors. I have heard my honourable friend tell of the responsibility involved in being a conductor, and I quite understand it. The lives of hundreds of people depend on the Hon. Mr. BEAUBIEN.

conductor. He is the trusted servant of the Company. He is the man who receives the fares. He is practically the captain of the ship; therefore he must be a man of excellent qualifications. What does he get? The wage for a passenger conductor is \$4.27 a day. The freight conductor receives \$5.80 a day. The brakeman gets \$2.93 a day, the baggageman \$3.04 a day, the engineer \$6, the fireman \$4.48, and so on. I have some misgivings as to these figures, because I understand that they are applied at the rate of time and a half for overtime, which makes a difference.

But, honourable gentlemen, is it not fair to contend that the men at the mines receive very substantial wages? All those who are tender-hearted are interested in their present misery. No doubt, in certain homes it must be very real. But is it not, after all, a fact that nowhere in the land, from ocean to ocean, if you were to knock at every door, could you obtain for these men the equivalent of what they get in the way of wages, in view of their occupation and their qualifications. That is the situation.

Now, honourable gentlemen, what is the remedy? Before I pass on to that subject will you bear with me while I deal with two figures? Remember that these men are paid a shade under the 1921 wages. How does the cost of living to-day compare with that of 1921? In 1921 the index figure was 190. What is it to-day? It is 152. Are the men suffering, or are they better off now than they were in 1921? In 1921 they had practically the same wages, but the cost of living was 50 per cent greater.

Hon. Mr. ROBERTSON: But they had employment.

Hon. Mr. BEAUBIEN: I will come to that in a moment. At present the cost of living is down practically 50 per cent and they have the same wages.

Now we come to the real cause of the trouble. "Give them work," says my honourable friend. Well, I shall attempt to find a way to give them work. It is admitted by everybody that when the United Mine Workers of America invaded this country, trouble entered with them; not only trouble, but, notwithstanding what my honourable friend has said, repudiation of contracts. They have done that at different times. I have cited two instances where valuable properties were abandoned to ruin, in violation of clauses of contracts that could not be clearer or more binding. What have they done in the Maritime Provinces? This is, in my opinion, one of the most dangerous symptoms of the whole disease

that we are now investigating. They have taken control of an honest, sober, intelligent and respectable population of Scotch and Irish, who are law-abiding, church-going people. Ideas have been brought across by men obsessed with the determination to change the order of things, and they take possession of these miners who are sober and sane and healthy, and make of them a population such as you find to-day, that cannot see where its own bread and butter lie. Do you know how they do it? I will tell you. McLachlan was arrested in 1923 for seditious language. There was no limit to his violent utterances. He was sentenced to two years' imprisonment. A few months afterwards he was set at liberty. What was the mysterious, shady influence that secured his liberation, I cannot tell, but I suspect. McLachlan has continued his work. He is now the editor of the Maritime Labour Herald. Do you want a sample of what this paper says? Just listen:

Rent, interest and profit are nothing but legalized theft from the working class.

All profit comes from one source, the robbery of the worker.

Within seven years the miners of Cape Breton and the steel workers of Sydney will be in control of the mines and steel works.

Nothing begets nothing, and as capital is nothing but the fiction of a plundering class, capital begets nothing, and begetting nothing it should have no revenues.

But, you will ask, to what extent does that paper sway the labour union? Just listen to the resolution which these people, District 26, U.M.W., have passed lately:

(a) No contract shall be signed by the officers of this District which does not carry with it the wage rates that prevailed in December 1921.

(b) That this Convention now hold out its hand to any and all workers of Canada, and declare it is prepared to sign an agreement with any other organized body of workers, such as an agreement to cover: (1) an obligation on each party to the agreement to do their utmost to create one united front of all the workers in Canada; in the first instance this invitation is extended to the coal miners of the West.

One solid front! And you will see what their goal is.

(2) Such agreements to cover the joint action to be taken to secure for the workers of this country a living, such action to be taken either with or without the consent of the Government.

(3) Over the heads of government we appeal to all soldiers and minor law officers, that they join with us in our attempt to secure for our class and their class, the working class of Canada, a living and free access to all the means of life in this country. To all soldiers and minor law officers we appeal, when you are ordered to shoot the workers, don't do it. When you are asked to arrest the workers, don't do it. When you are asked to spy on the workers, don't do it. But rather use your position and the facilities your position affords you to help the workers in their mass fight against all the exploiters of labor.

That is a resolution passed by the Union.

Hon. Mr. ROBERTSON: My honourable friend. I am sure, does not desire to have the House misunderstand the facts. I am sure he is aware of the fact that the United Mine Workers' organization, to which he has made reference, has nothing whatever to do with such propaganda as he has just read, and that it emanates solely from the Communist Party as it exists in this country. The stable labour organizations in Canada, backed by the hundreds of thousands of sensible Canadian citizens who are engaged in earning their livelihood by a monthly or daily wage, do not subscribe to any such views as are expressed in the words that my honourable friend has just read, and it would be entirely wrong to confuse those sentiments with the politicies of organized labour in this country.

Hon. Mr. BEAUBIEN: My honourable friend makes a distinction that I cannot very well see. In Sydney, Nova Scotia, there is a branch of the U.M.W., is there not?

Hon. Mr. McCORMICK: Would the honourable gentleman permit me?

Hon. Mr. BEAUBIEN: And that is known as District No. 26, the district which comprises the miners of whom I am speaking.

But that is not all. To continue:

(4) That District No. 26. U.M.W. of A .-

That is plain enough-

-at once apply for membership in the Red Internationale of Trades Unions and, that a delegate be appointed from this convention to represent us at the next convention of the Red Internationale of Trades Unions held at Moscow.

Hon. Mr. McCORMICK: Will the honourable gentleman allow me to explain that, for a moment—just for a moment?

Hon. Mr. BEAUBIEN: If the honourable gentleman wishes.

Hon. Mr. McCORMICK: Without entering into the discussion of the matter of difference between the Company and the men, I think it is proper to give an explanation of that, because otherwise a wrong impression may be created in this House and in the country.

Let it be understood first, with regard to the repudiation of contracts, that these repudiation were made under the regime of this man McLachlan. He has since become ineligible for office in the U.M.W. Furthermore, the United Mine Workers of America, as long as they have been known in Nova Scotia—and before that time I paid no attention to them have always stood by the agreements that their officers make with organizations operating in Canada, and they are standing by such agreements to-day. 204

It is only fair to state also that this Mc-Lachlan and the paper that he edits down there are in no way representative of the workingmen of Nova Scotia. If you want any further evidence of that, it is afforded in this fact. It was while McLachlan and his friends were in the leadership of the workmen's union in Cape Breton, that the disorders took place in Sydney and at the mines, when the stores were broken into and depredations were committed around the steel works. These things were not at all in accord with the feelings or disposition of the great body of workmen there, and to-day they have a new set of men. There are grounds for different views with regard to unreasonable opinions on the part of the men, or on the part of the employers. With that question I will not deal, but I would like to point out this other aspect. It may be said that during the strike there, or during the conditions that obtained as a result of it, the company was justified in closing its stores. The case was aggravated by the closing of the Com-pany's stores. It was customary—I think even the Company itself made the statement recently, and I think it is quite correct-for about half the men employed by the British Empire Steel Company to be supplied from stores of the Company.

Some Hon. SENATORS: Order.

Hon. Mr. BEAUBIEN: Will my honourable friend excuse me?

Some Hon. SENATORS: Order.

Hon. Mr. McCORMICK: I just want to explain. I do not want a wrong impression to be created.

Hon. Mr. CASGRAIN: Make a speech afterwards.

Some Hon. SENATORS: Order.

The Hon. the SPEAKER: The honourable gentleman has no right to make a speech.

Hon. Mr. McCORMICK: I was explaining.

Hon. Mr. BEAUBIEN: I understand that my honourable friend from North Sydney and probably if I were in his place I might speak longer—wants to justify the population of North Sydney—

Hon. Mr. McLENNAN: Sydney Mines.

Hon. Mr. BEAUBIEN:---of Sydney Mines. It is natural. But I thought I had made my contention quite clear. I went down there and studied the people. I saw them going to church, and saw the way in which the women and children were dressed and the Hon. Mr. BEAUBIEN.

way in which they conducted themselveshow well behaved they were; certainly I admit that. But notwithstanding all that, you have there an association, and nobody can deny it, that passes resolutions such as I have read. Of course, the men were carried away by men who are really Bolshevists in their souls. It is not my contention that every man in that union is possessed of these ideas, but unhappily it is too true that these men who are good honest men are swayed and held by terror of these other men. Everybody knows now that they are holding meetings and that no man dares rise and say: "I want work: I don't want doles or charity." No man dares get up—and why? Because these Reds have methods of keeping them silent: if it is not by overpowering them or entreating them, it is by calling them scabs, and, because they are good men, attacking them through their sensitive souls.

Perhaps you think that what I say is an exaggeration; my honourable friend may think that perhaps I am partial, that all that trouble might exist without the United Mine Workers and Mr. Lewis, of Indianapolis, who, as a general, orders his men to resist the advance of ordinary times and normality.

May I cite another example just as bad? What has happened in British Columbia where the miners stood out for months and exacted from the companies wages that the industry could not pay because coal in the United States is not produced altogether by union men? In West Virginia 80 per cent of it is produced by men who broke away from the union because they preferred working every day to working for only a month. Mr. Lewis cannot hold his men, but he holds them as long as he can. He knows that if the front is pierced anywhere there will be a retreat all over. And what would become of the general if the troops retreated on all the fronts? Therefore the watchword is "no reduction of wages whatever may happen." After months and months the men in British Columbia went to the proprietors of the mines and said, "We must have work." The operators opened up their books just as did the British Empire Steel Company, and said, "Gentlemen, look here. See the cost of coal; look at the cost at which it may be laid down from the United States in competition with your own product." The men said, "Well, you are right; but we cannot reduce wages unless we break away from the United Mine Workers." That was the conclusion. The operators said: "It is for you to decide. We cannot do anything." And what happened? The men broke away from the United Mine Workers, and now they are all working and all earning, and

Fernie is now as prosperous and happy as it was before; but the United Mine Works have been sent back home to the United States to their chief, Mr. Lewis.

Do not think that I exaggerate. Let me now read an article which was published by the Montreal Star on the 18th of March. It says:

There is suffering and distress in the Cape Breton coal fields and the women and children there are carrying an unmerited load of heaviness and misery.

This is a natural corollary of industrial strike. It is part of the price which the strikers must pay for the use of this dearly bought weapon. It is an element of cost which those responsible for the strike always figure on when they call the tune.

The Gentlemen from Indianapolis, who have had many years of experience in bitter and intensive warfare, must have known that there would be hunger and suffering in hundreds of homes when there was no wage envelope to draw from the Company at the end of the week. They must have known that with credit stopped at the stores and ""the man" idle in the house assistance would have to be given to purchase the necessaries of life.

These Gentlemen from Indianapolis, with their long experience and their supremely efficient organization, cannot have embarked upon this struggle without counting the cost and making provision for the relief of the conditions which they knew must follow, as the night the day. To believe that they rushed in heedlessly is to charge them with a callousness which would be inhumanly brutal or to saddle them with a deadening incapacity to which their past record gives the lie.

Of course these Gentlemen from Indianapolis say that there is no strike; that the British Empire Steel Company has locked out its employees. It is in poor taste to introduce such a jest into the climax of a tragedy. Nobody who is not blinded by partisanship, and least of all these able and industrious organizers from the South, really imagines that the Company has locked out the men.

The British Empire Steel Company would not bolt and bar the front gates and lock out their employees at the very time when, after months of implorings and appeal they had received word from the Canadian National Company of large orders for steel rails to be rolled at mills which will need hundreds of tons of coal in the process.

The Company did not turn the key in the lock of the front gate on the maintenance men at the risk of endangering their properties to the extent of hundreds of thousands of dollars.

Surely the Company would not order a lockout on the same day they had agreed to keep the mines working until an impartial commission had investigated the wage problem—a scheme to which the United Mine Workers of America would not give their consent.

This filmsy excuse of the lock-out is the cruel jest of the men who called the strike—the Gentlemen from Indianapolis.

* * *

The Cape Breton coalfields are more than usually costly to operate. Coal to-day can be brought by vessel from West Virginia around past Cape Breton and can compete at Three Rivers with the product of the Nova Scotia fields. If demands are to be continually made for higher wages even before the yearly agreements run out, and these demands are backed up by strikes, the doom of the Nova Scotia coal industry is sealed.

the doom of the Nova Scotia coal industry is sealed. A few days ago there was an outery in Britain because contracts in shipbuilding—one of Britain's basic industries—went to a German firm, even though the British company was willing to pay a large bonus if the work was done in England. The lower wage scale

in Germany was generally conceded to be the principal cause of the failure of Britain to meet these prices. But what sort of an outcry would there have been in Britain if the wage schedules had been fixed by an Internationale dominated by Germany and if German officials had called a strike because, as organizers, they were not satisfied with the existing scale. Canada cannot forever have the wages of one of her basic industries settled by the Gentlemen from Indianapolis.

Apart from the wage scale, is there not some antipathy from secret and mysterious sources against this company financed largely by British money. Does the British Empire Steel Company have an irritating sound to certain foreign interests. Is it possible that those who have failed to absorb it may in their annoyance seek to destroy it?

Having called the tune, the Gentlemen from Indianapolis will now pay the piper. Telegraph despatches say that there is actual want and suffering at Sydney. The delay in having funds transmitted from the capacious bank account of the United Mine Workers of America to Sydney is inexplicable. If there is suffering and want, why the inexcusable delay on the part of the foreign organizers?

What say the Gentlemen from Indianapolis?

I have in my hand an article from the Montreal Gazette of April 23, which is as follows:

The war caused the expenditure of billions of borrowed money, of which the workers got a large share. Wages were advanced to unprecedented figures and too often spent as they were received. The prices of everything advanced, and in some cases continued to advance after the war. The heavy taxes levied on business enterprises made the situation worse. If they did not hasten the depression they tended to delay recovery. Many industries felt the effects. Published reports of commercial and industrial corporations show that, in Canada as in other countries, in case after case, operations have been carried Those whose on without profit, even at a loss. Those whose capital was at stake accepted the situation and kept their establishments open in the knowledge gained from past experience that a restoration of better conditions was only a matter of time and that revived trade would enable them to recover their losses. The workers as a class got the chief benefit of such a policy. In some cases there were reductions of wages which enabled operations to be carried on and helped to lessen the effect of the depression. In other cases strong trades unions were able, by strikes or threats of strikes and the tying up of great industries, to hold wages at the high war-time figures and even to increase them. The case of the Nova Scotia miners illustrates the result in some cases. Mines were operated last year without profit. Coal producers elsewhere sold at prices with which the provinces mines could not compete under existing conditions. The St. Lawrence market, once a main standby of the Nova Scotia mines, has been reduced. Coal from the United States, Wales and Scotland has taken the market on which the Cape Breton mines depended, and compelled them to operate on reduced time last year. Then a proposal that wages should be reduced to nearer the pre-war level so as to enable competition to be met was countered by a demand for an increase to high war-time rates. Coal mining is a commercial enterprise; it can only be continued on a permanent basis when those who control the mines can secure a return on their invest-ments. If this cannot be had, there may be operation ments. for a time, as during the past year, but there can be no new investment in extensions, and after a time there will be suspensions; and instead of moderate wages there will be none. There will have to be a lowering of extreme wages in many industries before 206

industry and business are again on a sound and progressive basis. The situation is not peculiar to Canada. The coal trade in Britain is depressed, and the results are being felt by the transportation interests. The London and Northeastern Railway is putting economies into force and reducing its staffs. The Great Western Railway is doing the same thing, and proposes to suspend the 48-hour week for its employees, the establishment of which cost the unions great sums of morey. The railways cannot maintain their rates of outlay from the traffic they get to carry, and some of them, like the local colliery owners, are not earning dividends. Such an order cannot be long maintained in any industry.

The matter is plain, honourable gentlemen. Any man who understands the situation, is not biased, and has not what I would call a professional mentality, sees clearly where the trouble is. Do you think, honourable gentlemen, if the company had lied when it gave the cost of producing coal, that it would have offered four times to submit its books to any judge, and submit to be bound in advance by the judgment? No. The men who direct that company would not be so stupid or so reckless. On the other hand, honourable gentlemen, do you think the gentlemen from Indianapolis, as they are called, and the leaders of the men, who are clever and can read the assets and liabilities and cost of production of the Company-for if you look at their bankbook you will find that they handle millions every year-would not have called the tune, and said: "Yes, we have got you at last; we have you nailed now; we are going to throw the lie in your teeth?" But have they done that? Not at all; there is no tribunal on earth that is lofty enough for these men; they are a law unto themselves

If there is a permanent cure, honourable gentlemen, it is in keeping away this contamination from across the line which is poisoning our population. Why, a poor devil who comes here from Central America is looked over to find out whether he has an eye disease because of possible contamination, or, forsooth, if he is poor, as he may be a charge on our hands. If there is anything wrong with him he is returned promptly. But an organized army with millions at its back comes here and destroys our industry and poisons the minds of our workmen, keeps them idle for months and spreads misery everywhere, and nothing is done to keep it away from this country. Perhaps it would be good advice to say to the Government of Nova Scotia through my honourable friend, (Hon. Mr. Robertson) that it is time we protected ourselves. Forget this company, if you like; forget, if you like, the mines of British Columbia, forget yesterday and to-day, if you like, but think of to-morrow. What are you going to do to protect us? Do Hon. Mr. BEAUBIEN.

you only protect us against individuals who are poor, who drift in one by one, and who are practically harmless compared with these organizations? Is it not time that we had protection, real protection, against people of that stamp, because if they are able, as they have been in the past, to pervert a population as sound and honest as that of the country of my honourable friend (Hon. Mr. McCormick) there is no hope for us anywhere else. My advice to the Government is to give us that protection, and when men like McLachlan have been judged and condemned and sentenced to two years, at least to abstain from liberating them after three months. It is a very bad example, and the trouble that exists all over the Maritime Provinces is evidence of that.

Hon. JOHN S. McLENNAN: I am not connected with the mining company nor with the men who are out of work. The question whether there should or should not be a reduction of wages is a complex one. There is much evidence on the one side and the other. From what I am told by people not connected with the British Empire Company, but familiar with the coal trade, my impression is that it is extremely difficult for Cape Breton to regain the markets in the St. Lawrence which it has lost.

Twenty years ago Cape Breton companies shipped into the St. Lawrence every ton they had any right. They were successful competitors with coal from the United States and Great Britain. Cape Breton occupied a proud position, to which it had been brought after 20 years, until Cape Breton coal stood on a full parity with old country or American coal. That position gradually declined, and American coal, and to some extent old country coal, came in. The war dislocated tonnage, and made it impossible for the coal company to get vessels to carry its coal, and disturbed conditions of every kind, and we had to yield the St. Lawrence very largely to American coal. The consequence was that the quantities of coal produced in Cape Breton after a certain time decreased. The United States has mines which could supply probably two or three times the amount of coal for which there is any market. One has noticed that mines are closing in Great Britain. There one has seen colliery proprietors offering the mine to their men in order to keep it going as a business industry, the men to run it without cost to the proprietor. A still more extraordinary thing took place in one of the smaller Welsh mines, where the colliers got together a certain amount of money and offered it to the management to keep it for another six

months, as a guarantee against loss. Such is the condition of the coal trade, not only in Cape Breton but the world over.

Negotiations have gone on since last December for the adjustment of the Nova Scotia dispute, but those negotiations have thus far failed. I think it only fair to say, however, that except a little time ago, when there seemed to me and other people some delay on the part of Mr. Armstrong, Premier Armstrong—with whom, as you possibly know, I have no political affiliations—has acted admirably and with great determination and patience.

I think mistakes have been made on both sides. I think the men have been ill-advised. But I wish to note a declining tide of ill-feeling and suspicion against the Company, and I would not attribute to the United Mine Workers of America sinister effects attributed to District No. 26 under the influence of this man McLachlan. I cordially agree with the last speaker that it is a pity that McLachlan was let out of prison, for since that time he has seemed recalcitrant.

Yet within the last year advances have been made. I feel convinced that there is a better feeling, although it does not always appear on the surface. I have been in Cape Breton within the last three weeks, and I am informed, and also gathered from observation, that the unfortunate conditions are accompanied by less bitterness than has been the case when similar conditions have prevailed so often, and which have been of so great disadvantage both to the company and the men. I am also advised that the Maritime Labour Herald is declining in circulation; in fact, when I left Sydney on Sunday night I heard that the issue of Saturday was the last number of that paper. Much as I am interested in Sydney, one feels that what the Labour Herald says is of no very great consequence, or whether it continues to exist.

Hon. Mr. ROBERTSON: I would like to say that there is an explanation why the Labour Herald is discontinuing publication. I have no use for what it says, but there is a reason.

Hon. Mr. McLENNAN: I understood it was not being read by the miners.

Hon. Mr. ROBERTSON: The reason is that the plant was burned last week.

Hon. Mr. BEAUBIEN: My honourable friend did not know how hot it was.

Hon. Mr. McLENNAN: I assure my honourable friend that the plant had not been burned on the day I left. That was the latest knowledge I had. Nobody is attributing that to the Besco? Hon. Mr. ROBERTSON: No, not at all.

Hon. Mr. McLENNAN: I understood it was declining because it had no circulation among the people, and I am sure that all who spoke, and all who know the miners of Cape Breton, agree that they are right-thinking men on the whole; they are decent men, and with their intelligence I believe the company will yet be able to make great progress, and we have been hoping for that result. I noticed a heading on a paper which one of my colleagues had before us here; the next day after the news of the break-down of the Halifax conference one of the papers spoke of the desire and hope that it would be at once reinstated, and that the work of reconciliation would be kept on until it was successful.

On motion of Hon. Mr. McCormick, the debate was adjourned until to-morrow.

DIVORCE BILLS

THIRD READINGS

Bill Y, an Act for the relief of Laura Grace Davis.—Hon. Mr. Ross (Middleton).

Bill Z, an Act for the relief of Alice Brouse.—Hon. Mr. Ross (Middleton).

Bill A2, an Act for the relief of Vera Thelma Gooderham.—Hon. Mr. Ross (Middleton).

Bill B2, an Act for the relief of Robert Lawrence Anderson.—Hon. Mr. Ross (Middleton).

Bill C2, an Act for the relief of Pearl Hibbard.—Hon. Mr. Turriff.

Bill D2, an Act for the relief of William John Taylor.—Hon. Mr. Willoughby.

Bill E2, an Act for the relief of Albert Edward Cottrell.—Hon. Mr. Willoughby.

Bill F2, an Act for the relief of Florence May Mott.—Hon. Mr. Haydon.

Bill G2, an Act for the relief of Ellen Mary Harvey.—Hon. Mr. Haydon

Bill H2, an Act for the relief of Stella Florence Brickenden-Hon. Mr. Haydon.

Bill I2, an Act for the relief of Frank Alexander Michel (otherwise known as Frank Alexander Mitchell).—Hon. Mr. Haydon.

Bill J2, an Act for the relief of Thelma Adeline Rose Hands.—Hon. Mr. Haydon.

Bill K2, an Act for the relief of Jean Veronica Margaret Wright.—Hon. Mr. Haydon.

Bill L2, an Act for the relief of Ruth Darcy Blinn McCrimmon.—Hon. Mr. Haydon.

Bill M2, an Act for the relief of Thomas George McElligott.—Hon. Mr. Haydon.

Bill N2, an Act for the relief of Alvin Wesley Richards.—Hon Mr. Haydon. Bill O2, an Act for the relief of Cecil Tanner.—Hon. Mr. Haydon.

Bill P2, an Act for the relief of Ruth Ellen McGowan.—Hon. Mr. Haydon.

Bill Q2, an Act for the relief of Edith Kearsley Smith.—Hon. Mr. Blain.

Bill R2, an Act for the relief of James Raymond Armstrong.—Hon. Mr. Blain.

Bill S2, an Act for the relief of Josephine Royant.—Hon. Mr. Blain.

Bill T2, an Act for the relief of Gertrude Margaret Burkart.-Hon. Mr. Blain.

SECOND READINGS

Bill U2, an Act for the relief of Jacob Edward Thuna.—Hon. W. B. Ross.

Bill V2, an Act for the relief of William John Fuller.—Hon. W. B. Ross.

Bill W2, an Act for the relief of Alfred Augustus Jacques.—Hon. Mr. Pardee.

Bill X2, an Act for the relief of Paul Zizis. —Hon. Mr. Robertson.

Bill Y2, an Act for the relief of Annie May Blunt.—Hon. Mr. Robertson.

Bill Z2, an Act for the relief of Grace Harrington Bloom.-Hon. Mr. Gordon.

Bill A3, an Act for the relief of Ian Somerled Macdonald.—Hon. G. V. White.

Bill B3, an Act for the relief of Arthur Beldon Morrison.—Hon. Mr. Gordon.

Bill C3, an Act for the relief of George Edward Sharp.—Hon. Mr. Turriff.

Bill D3, an Act for the relief of Marjorie Morton.—Hon. Mr. Turriff.

Bill E3, an Act for the relief of William Ernest Hampson.—Hon. Mr. Turriff.

PRIVATE BILL

SECOND READING

Hon. Mr. ROBINSON moved the second reading of Bill 133, an Act respecting the Restigouche Log Driving and Boom Company.

Hon. Mr. ROBERTSON: Would my honourable friend briefly tell us what is the purpose of this Bill?

Hon. Mr. ROBINSON: Honourable gentlemen, it does not enlarge the powers or the privileges of the Company, or deal with them in any way. It is purely a matter of internal economy, regarding a re-issue of bonds. The Log Driving Company finances the bond issue. Some bonds have been paid off, and the company is asking for the privilege of making a re-issue. It advances what are, I think, very reasonable grounds for it.

The Company was incorporated by the New Brunswick Legislature in 1879. In 1910 the name was changed, and the new company, with the changed name. was incorporated by the Parliament of Canada. This Bill is not applicable to the charter and has no effect so far as the rights of the franchise are concerned. It is purely a matter of internal regulation.

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

PUBLICATION OF STATUTES BILL FIRST READING

Bill 41, an Act respecting the publication of the Statutes.—Hon. Mr. Dandurand.

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

THE SENATE

Wednesday, May 6, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill M3, an Act for the relief of Lillian Yaffe.—Hon. Mr. Green.

Bill N3, an Act for the relief of Charles William Dickinson.—Hon. Mr. Green.

Bill O3, an Act for the relief of Charles Murray Cramsie.—Hon. Mr. Blain.

Bill P3, an Act for the relief of Frederick William Mallyon.—Hon. Mr. Schaffner.

CANTEEN FUND AND PAYMENTS TO GREAT WAR VETERANS' ASSOCIATION INQUIRY FOR RETURN

Hon. Mr. GRIESBACH: I would like to call the attention of the honourable leader of the Government to an order passed on the 19th of March for a return including a copy of Order in Council P.C. 3887 etc., and a statement in connection therewith; and on April 21st I moved that an order do issue for a return to include a copy of Order in Council P.C. 2378 and a statement of expenditure. It seems to me that a sufficient length of time has elapsed to enable the proper officials of the Department involved to prepare and submit these documents. I would ask the honourable leader of the Government to urge upon the Department the desirability of having these statements brought down at an early date.

Hon. Mr. DANDURAND: If the honourable gentleman would send me a copy of his memorandum I would not wait for Hansard to give me the data; I would this day communicate with the Department for information.

REPRESENTATION IN THE HOUSE OF COMMONS

MOTION

Hon. GEORGE LYNCH-STAUNTON moved:

That in the opinion of the Senate an humble address should be presented to His Majesty, praying that the British North America Act be amended so as to reduce the representation in the House of Commons, to the end that the whole representation in that House be substantially decreased.

He said: I intend, honourable gentlemen, to consider this question from two points of view: first, the usefulness of the House of Commons, and, secondly, its cost.

I hope, honourable gentlemen, you will not be unduly alarmed if I begin with William the Conqueror. In the early years of English parliamentary history the King alone governed the country, and to this day our Acts of Parliament open with the statement that "His Majesty, by and with the advice of the Senate and House of Commons of Canada, enacts as follows." William did not allow the feudal barons to govern him. He did not allow principalities and dukedoms to rise up and divide England, as they did over the continent, but he subordinated all the barons and all the people to government by himself in his council.

This method continued in full force until after the time of the Tudor monarchs. True. about the time of Edward I the King sent out his writ to those whom he desired to form the House of Lords, to attend on him; and to the sheriffs of the different counties he sent a writ to summon knights to appear for the purpose of consenting to the legislation of the council of the realm. After some time the King, knowing that these knights were merely his tools, consented to allow them some share in the imposition of taxes on the people. The members of Parliament were not, until the Reform Act of 1832, in any sense the representatives of the people of England. In the early days it was the King's tenants who elected the knights or the members of Parliament; and when that system passed away, the representatives who appeared in Parliament came from the rotten boroughs, or from cities like Plymouth, with 70.000 people, sent by less than 500 electors. Therefore no person can say that old House of Commons as constituted in England ever was a representative body. The King was all-powerful, even down to the time of the Georges. The members of Parliament did nothing but consent to the legislation. They took no part in the law-making. That was done, as it is now, by the Government, and consented to by members of Parliament.

When the Parliamentary Reform Bill was introduced the people were permitted to vote for members of Parliament. First the franchise was given to a large class, those who were freeholders to the extent of 40 shillings. Eventually every Tom, Dick, and Harry in the Kingdom was given the vote.

When we became confederated into the Dominion of Canada our parliamentary institutions were based on those which had been in existence since the time of the Parliamentary Reform in England, and our Parliamentary system is exactly the same to-day as it was 56 years ago, when it was created.

What is that Parliamentary system? It is the fashion to talk about the people's representatives legislating for the country, and about "the voice of the people, the voice of God," being heard in the House of Commons, and it is said that the people rule this country through their representatives. That is not the case. In the old days the King was the ruler of the Empire. At this day the Prime Minister is the ruler of Canada.

Now let us see what that means. How are members of Parliament elected-in fact, not in theory-or, if you like, in fact and in theory? First, the electorate is divided into two, three or four parties, and when a general election comes on the leaders of these parties lay down a platform, which they submit to the electors. The Government candidates go before the people and promise that if they are elected they will support the policy of the Government: the Opposition candidates go before the people and promise that they will support the Opposition leader; and the people elect them to go to Parliament and support the Opposition or the Government: they do not elect them to go there to legislate for the people. The majority of the people have committed the government of the country to the Government, and they send those representatives there to support that Government. Minorities of people send their representatives to support the Opposition, and for no other purpose.

The other day I heard the leader of the Opposition in the House of Commons say, when the Government proposed to send the Shipping Bill to a Committee, that the Government was departing entirely from parliamentary practice—that the legislation originated with the Government, and it was the Government's duty to submit it to the House of Commons, and inform the House that it took the responsibility for the legislation, and would stand or fall by it. He said, in effect, that there was no precedent or excuse for sending any Government Bill to a committee, because the members of the House of Com-

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mons were only there for the purpose of approving or rejecting, just as His Majesty's representatives approves or rejects an Act which is brought up to him after its final passage through Parliament. And the honourable gentleman was quite right-if. I may say so, speaking of him-that it is the unbroken practice of Governments not to consult the House of Commons, but to submit their legislation to them for approbation, with the intimation that if they refuse to approve it, the Government may treat that refusal us a vote of want of confidence and resign or dissolve the House. That is the position which the Government takes in all countries that have British institutions, and that is the position which the people expect it to take. So the members are sent there simply to approve or disapprove of the action of the Government.

The Prime Minister is the leader of one party before he is called on to form a Ministry. When called upon by His Excellency he chooses his subordinates, and he alone communicates with the head of the state, and he is entitled to have the resignations of those gentlemen tendered to him whenever he asks for them. I have heard it said that one distinguished Prime Minister held in blank the resignation of every Minister on his appointment. At the Council Board the Premier dictates to the Council what the legislation shall be, and the Council then presents that legislation to the House of Commons.

The other day we saw in the House of Commons that, when the members became unruly, and unduly protracted the debate, the Prime Minister said that the Government would not tolerate such conduct, that the people of this country expected a strong Government with strong support, and that if the members of the Commons did not behave themselves he would dissolve the House. This brought them to their senses very quickly, and things went smoothly after that. That is only an example of the exact position of a member of the House of Commons; he is not independent; he has no authority; he is simply a follower, to do what he is bid. The House of Commons never pretends to reflect public opinion.

There never has been, in the history of Canada, a Parliament that voted want of confidence in the Ministry. The House of Commons came mighty near doing so once when, for a consideration, some of Sir John Macdonald's supporters crossed the floor in 1873, and if Sir John had not resigned there might have been a vote of want of confidence. But we have seen Government after Government go down to defeat at the polls—showing that it had not the confidence of the people;

Hon. Mr. LYNCH-STAUNTON.

that its legislation and its actions did not meet with the approval of the Canadian public. But, excepting on one occasion, we have never had a House of Commons to vote against an unpopular Government. The members have never, on coming into Parliament, expressed the opinions of the people: they have always recognized their position to be that of simply followers of their party chiefs.

All the benefit which we derive from the House of Commons we could obtain if it were in the position of the Electoral College of the United States. When the American people choose a President, the two or three or four candidates lay before them a platform, and he whose platform is most pleasing to the electorate becomes President of the United States, and thereafter governs that country, so far as the executive office is concerned. If we desired to obtain a knowledge of what the people thought, why not have the members of the House of Commons constituted as the Electoral College, and come to Ottawa, or send word to Ottawa, as is in fact done at Washington, that they approve of Mr. Mackenzie King or of Mr. Arthur Meighen, and thereafter Mr. Meighen or Mr. King would do as is done now-govern this country until the next election. My contention is that the unweildy House of Commons is not required or indeed of any value under our form of government, which is based on government by the Prime Minister and his Cabinet. Parliament is not a Roman curia, a legislative body, or an executive body: it is simply an endorser of the Government.

Now, let us look at the question from the point of view of cost. I know that economy leaves politicians cold; I know that public men of Canada do not think that to be economical is popular or attractive. I know that one is laughed at when he talks of saving a million, five million, ten million dollars; but I remember that Mr. Gladstone once said that a public man who despised a shilling was not fit to be Chancellor of England. Notwithstanding that one's voice falls on deaf ears, it is one's duty, when in a position to do so, as we are, to draw attention from time to time to the unreasonable cost of government in this country.

The nine million Canadians have a Dominion Parliament with 235 members, and growing all the time. I believe that at the next election we are going to enjoy 250. We have 16 or 17 Ministers drawing salaries which are princely to most of them. A general election costs us over \$2,000,000. Our annual legislation costs us \$1,250,000. We have a parliament in Toronto for the province of Ontario, with 110 members drawing \$2,000 each. We have an expenditure there of \$45,000,000 per annum for the government of that province. I do not know what the government of the other provinces costs, because I have not been able to get the figures except in one case; but I am told that in British Columbia it costs the tidy sum of \$16,000,000 to govern 500,000 people. Alberta has 588,456 people, with 7 paid Ministers at a cost of \$44,400 a year; it has 60 members at a cost of \$120,000 a year. British Columbia has 8 paid Ministers at \$30,000, and 47 members costing \$94.000. New Brunswick has 7 Ministers at \$27,500 and 48 members at \$43,200. Nova Scotia has 4 Ministers at \$21,000, and 43 members at \$43,000. Ontario has 9 Ministers at \$60,000, and 110 members at \$222,000. Quebec has 85 members at \$170,-000. It has 10 Ministers, but the salaries are so modest that they are not given in the almanac in which I looked. Saskatchewan, with 251,000 people, has 7 Ministers at \$43,-500.

Hon. Mr. GRIESBACH: The population of Saskatchewan is much higher than that: it is more like 700,000.

Hon. Mr. LYNCH-STAUNTON: That figure is what is given in the last return. It has 64 members, costing \$111,200. Prince Edward Island has 4 ministers at \$10,000, 30 members, and a Legislative Council costing \$15,000.

In the Dominion let us take one example. We have a Department of Agriculture which costs \$7,000,000 a year, with 1,500 employees, and the Minister says he could not spare one of them. In each province we have a duplicate of the Minister of Agriculture, costing probably half as much. We have a Labour Department in the Dominion, and in each province we have another. And so on, wherever there is any possibility of squeezing in a minister we have duplication in each of "Issachar is a strong ass, the Provinces. couching down between two burdens "-his Dominion expenditure and his Provincial expenditure; and if he were not an ass he would not stand it for a minute.

The Provinces are governed in the same way as is the Dominion. Just think of it: the city of Toronto and the county of York have 19 members in the local legislature, and in the Dominion Parliament they have about a dozen. I do not know the number of members for Toronto and Montreal, but their name is legion. And of what use are they? Cannot one man come from Montreal or Toronto and advocate what Montreal or Toronto wants? Cannot he lobby for his constituents or to get public works just as well as a dozen? Con-

sider not only the uselessness, but the enormous cost. It costs the party in a city about \$25,000 to elect a member. In the olden days the counties complained of having to send a member to Parliament because they had to pay his wages; but in modern times we have been persuaded that it is a benefit to have a dozen members for one constituency. Of what benefit is it? No person can tell. What do they do in the House of Commons? I have before me the second volume of Hansard, 3.000 pages of talk which has gone on there since the opening of Parliament, and if there is one idea that was not known before, or one argument that has not been made a hundred times, in these 3,000 pages, I will eat it. Right Hon. Sir GEORGE E. FOSTER:

You would have much wind on the stomach.

Hon. Mr. LYNCH-STAUNTON: There is a little more talk this session because they think there is an election looming in the distance. When one goes in there and sits down and listens, he is reminded of that magnificent verse from Shakespeare:

Little Jack Horner Sat in the corner, Mixing election pie; He groped in the mud And pulled out a dud, And said, "What a statesman am I!"

But now, to be serious, the House of Commons is not only of no benefit to us, but it is the occasion of enormous expenditure. If it were not that Government after Government found it necessary to raise enormous funds to bribe the people to return its multitude of followers, would we ever have had the tremendous waste that has been involved in railway construction in Canada? On the eve of election after election we have always found that great public expenditures were undertaken, and we know that the men who incurred those expenditures were not such fools as to believe that those railways were required, but that it was necessary to promote the election of two or three hundred members of Parliament, and that the only way of obtaining the sinews of war was through the contractors or those who received the benefit of public expenditure. Some person, when we are gone, will no doubt leave behind him the inside history of how Canada was governed by its succeeding Ministries, and I do not think that it will be less piquant than Walpole's letters of his time.

Now, honourable gentlemen, I have never seen any necessity for having as large a Senate as we have. I think that our whole governmental machinery is overgrown. In the United States, where there are 115,000,000 people, there are only two Senators from each state,

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and I have never heard that there was a demand for more. Of course, there is also an assembly of 600 or 700 representatives, but that assembly does not give any more return for the money than does the Senate, and it does not benefit or abuse the people one whit more or one whit less.

I am not going to detain you much longer. I have said that I did not believe that we received any benefit from the House of Commons, and if it were simply an Electoral College who elected the Government from time to time, it would perform its functions as completely as it does to-day. But-and I may of course seem prejudiced in saying this-I think it is necessary that there should be a body of men to keep the Government in check. The Senate is not here to keep the House of Commons in check, because the House of Commons cannot do anything. The Senate is here to keep the Government in check, because the Government can do anything: it is all-powerful. The Senate is intended to be a watch-dog, to scan the actions of every succeeding Government, no matter of which party, to see that it does not trespass on the rights of the people. It stands just where the barons stood when they checked King John in his tyranny over the people. The Senate is here for the purpose of checking the Prime Minister and his Cabinet, for that is where the power reposes to-day, and in my opinion it would be unwise to dispense entirely with the Senate. To elect a Senate would be to make it subservient to the Government itself, because the Government could dissolve it, as it does the House of Commons. The members of the House of Commons know that they will lose their salaries and be turned into the street unless they obey the commands of the Government, and the Commons acts accordingly. The Senate knows that the Government has no influence or power over it: that Governments may come and Governments may go, but it goes on forever.

I will point out in a few words, what has been pointed out innumerable times, the enormous body of Canadian people who live on the rest of the people. I have heard it said that, taking it from the Dominion Government to the township councils, the public service in Canada numbers about 500,000, which means that 2,000,000 people out of the 9,000,000 people in Canada are living on the others. We are absolutely infested with Government officials. The other day a gentleman who has a small manufacturing business in Hamilton came into my office. He said: "Look here: with taxes and Government expenses and Gov-

Hon. Mr. LYNCH-STAUNTON.

ernment inspectors a man might better be out of business. Now, look at this. The other day a man wrote to me that he had a quantity of eggs which he wished to sell me, and for which he wanted 39 cents a dozen. I said, 'Send them along.' He sent them down. They have an Act at Ottawa that makes you grade the eggs, and they give you a form that you have to fill in. So I took this quantity of eggs and graded them first, second and third, and then I put at the bottom of the form the price I had paid, and sent it to the man. The other day an inspector came in to me and said, 'Were you buying any eggs?' I said, 'Yes, I did,' and I handed him out these three invoices. 'Oh,' he said, 'you have not fulfilled the law.'" And what happened then? My friend got three summonses to the police court, and found himself liable to a fine of \$500 in each case. He appeared in the police court, and the charges were dismissed. The next day he got three more summonses. He appeared again, and the charges were dismissed. He said to me: "Do you know what I have to put up with? I have sixteen inspectors coming to my place all the time." I said, "Bring me a list of them;" and here they are: separate inspectors of hogs, fertilizer, cheese, butter, fruit and vegetables, food and drugs, migratory birds, game, public health, society for the prevention of cruelty to animals, factories, electric wiring, smoke, woman labour, weights and measures. That is what a little business in Hamilton has to put up with. Is there any place outside of Portugal that is so government-ridden as we are? Then he has, in addition-he did not give me this because he forgot them-a gas inspector, and there is going to be one of 4.4. That condition obtains all over Canada. We ought to realize that when we pass certain legislation we are creating a new swarm of inspectors. Would you not think that in a business with a turnover of perhaps \$500,000 a year one man could inspect the whole factory?

We have an enormous public debt. We have an expensive bureaucracy governing us; and yet we never turn a hair when the Government comes down asking for new expenditures. Every Government that goes into power increases our cost of government. Only this morning in the Ottawa Journal I read a powerful article in which the phrase "idiotic optimism" was used. I am not an idiotic optimist; I do believe in Canada; I know we have great resources; but I try not to be carried away by nonsensical piffle, in considering the future of this country. I review the past,

and in my own mind I foretell what will come by what has come. We know that in a hundred years our population has not retained its natural increase. We know that its debt is enormous, and that it is increasing by a hundred million a year. We know that we are committed to take part in every war in which the Empire may become involved. Even in the suppression of a rebellion in South Africa we took part, and lately we were asked whether we would help in a fight against the Turks. We have had some taste of what war really costs. It is not only the giant increase in the railway debt which we have to face, but, in view of the fact that there have been in barbaric Europe three, four, five wars every hundred years, we know that in all probability twenty or thirty years will not pass by before we shall be engaged again, at a cost not only of blood, but of many hundreds of millions of dollars. I do not think we should expect our tax-bearers to increase more rapidly in the future than in the past, and am therefore uneasy about our present and future debt.

How on earth are we going to pay-how on earth is this people going to survive, if we continue to despise the shilling? I say that it behooves a small population like ours, set as we are in a difficult country, small as our resources are, to walk circumspectly; but, instead of that, with banners flying and music playing, we are riding into the jaws of financial death. No man can show a way out. No man can show how it is possible for Canada ever to pay her debt.

I observe that Mr. Lapointe told us the other day to take comfort from the fact that Australia was in a worse pickle than we were, and that South Africa had more debts than we. The honourable gentleman must have been attending the performance of the play called "Happy," where the man who broke his leg cheered and cheered; and, when somebody asked him why, he said, "I am so happy that I have not broken both legs." I do not believe that all the newspaper protests and all the argument that we can bring will ever make those men who have the destiny of our country in their hands flinch from embarrassing us with ever-increasing expenditure.

In the lowest deep a lower deep Still threatening to devour me opens wide.

My motion, honourable gentlemen, is that the British North America Act should be amended so as to reduce the House of Commons representation and prevent it from ever rising beyond a given number. A short amendment reducing the membership from Quebec, say, from 65 to 50, would bring this about. Then the representation in the House

of Commons from all over the Dominion would be somewhat under 200. The country should be represented by districts, and not, as now, by local centres of population, because it is most desirable that the Government should have men from every part of the country, if they have any, to advise them. There is no advantage in having 15 or 20 members from one large centre of population; and, if there is any advantage in having advisers at all, it is to be gained by having them from the various parts of the Dominion, so that they may explain the conditions and special wants of the people.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I do not rise for the purpose of making an extended speech. The honourable member has certainly given us something to think about, and of late we have needed something to engage our thought. I move, therefore, that the debate on this resolution be now adjourned, so that we may have an opportunity of digesting, without getting wind on the stomach, what has been brought before us, and, what is perhaps even more important, the suggestions that may arise from the remarks of my honourable friend, couched in the language in which he has made them.

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

DIVORCE BILLS

THIRD READINGS

Bill U2, an Act for the relief of Jacob Edward Thuna.-Hon, W. B. Ross.

Bill V2, an Act for the relief of William John Fuller.-Hon. W. B. Ross.

Bill W2, an Act for the relief of Alfred Augustus Jacques .-- Hon. Mr. Pardee.

Bill X2, an Act for the relief of Paul Zizis. -Hon. Mr. Robertson.

Bill Y2. An act for the relief of Annie May Blunt.-Hon. Mr. Robertson.

Bill Z2, an Act for the relief of Grace Harrington Bloom .-- Hon. Mr. Gordon.

Bill A3, an Act for the relief of Ian Somerled Macdonald .- Hon. G. V. White.

Bill B3, an Act for the relief of Arthur Beldon Morrison.-Hon. Mr. Gordon.

Bill C3, an Act for the relief of George Edward Sharp .- Hon. Mr. Turriff.

Bill D3, an Act for the relief of Marjorie Morton.-Hon. Mr. Turriff.

Bill E3, an Act for the relief of William Ernest Hampson .- Hon. Mr. Turriff.

PRIVATE BILL

SECOND READING

Bill 40, an Act respecting the Ottawa Electric Railway Company.—Hon. Mr. Belcourt.

RURAL CREDITS

DISCUSSION AND INQUIRY

The Senate resumed from April 23 the adjourned debate on the motion of Hon. Mr. Willoughby:

That he will call the attention of the Senate to the matter of Rural Credits, and will inquire if it is the intention of the Government to introduce any legislation during the present Session in relation thereto.

Hon. EDWARD MICHENER: Honourable gentlemen, the subject of this inquiry may not be of such tremendous importance as constitutional questions or national or international questions which we have discussed in the last few days. It is, however, of immediate urgency to some parts of Canada.

The honourable member from Moose Jaw (Hon. Mr. Willoughby), who introduced the subject, spoke from the viewpoint and needs of the Province of Saskatchewan. I wish to express the view of the twin-sister Province of Alberta. These two Provinces have possibly greater interest in this question than other parts of Canada. However, honourable gentlemen, I believe the question has a wider application than simply that of local needs. It is a question of financing the foundational industry of this country.

Almost every progressive country throughout the world has devised and adopted some system of financing agriculture for the development of production on the land, other than the commercial systems in vogue.

Agriculture, like other industries, has been undergoing many changes in the methods of operation during the past quarter of a century. Farm labour is replaced largely by machinery. The farmer to-day is a mechanical operator rather than a labourer. Farming is done by different methods now from those formerly employed, and these newer methods require greater expenditure and more capital. So far in Canada there has been, apparently, no serious attempt on the part of the Government to devise a system of financing suited to the needs of farmers. The present commercial banking system of short term credits is not of very much use to the man on the land. While farming is a profitable industry, it is not profitable in the way of quick returns, as are other industries. The farmer needs to wait a year, possibly two or three years, for his profits, and these to a great extent are represented by increase of land, stock and equipmen't, and not always by very much ready cash.

No new country can successfully develop without capital. We have in Canada to-day enormous areas of perhaps the most fertile land in the world. All it needs is the touch of capital and labour to bring almost unthinkable production and wealth to this great Dominion; but, until the Government of the day undertakes in earnest to supply some better system of financing and encouragement to our agricultural areas, we cannot hope to secure the full fruition of our possibilities along these lines. For this reason I shall take your time for a few minutes to show the local needs of some system of agricultural credit, as well as the general needs of a better financial system for the encouragement of agriculture.

The honourable member from Moose Jaw (Hon. Mr. Willoughby) spoke of different systems in vogue in various parts of the world. In Germany they have intensive cultivation of the land, with a banking system that is operated entirely in the interest of the borrower. Consequently money can be secured at the very lowest possible rate of interest, and upon very long terms. Thus a man who secures the capital to develop his land by the amortization plan of a loan on an annual repayment of interest and principal, which is equated over a term of years, pays no more than the ordinary interest required by loan companies.

In France I understand there is a modified system under the Credit Foncier Company. I am not so familiar with the working of that system, but I believe that it encourages production.

The United States offers perhaps the most outstanding example of a new system of financing and encouraging agriculture, differing from the system formerly and now in force for commercial enterprises. They have a Farm Loan Board, who operate through district Federal banks, and supply the needs of people on the land, supplying the money for a term of years on an amortization plan at the smallest rate of interest at which money can be secured, plus the cost of operation of the system.

In seven different Provinces of Canada we have legislation providing for some system of agricultural credits, but there has been actual operation in only one or two of them, principally because the provinces have not been able to secure a favourable rate of interest on a sum sufficiently large to put the legislation in force. Consequently, in those Provinces where the need is greatest, Alberta and Saskatchewan, the system is not operative at all. In Alberta, of which I speak especially, there is no capital available for the settler.

New Zealand, Australia, and the Union of South Africa have agricultural credits whereby the settler can get very favourable loans on good terms and low rates of interest; and they have also other settlement schemes by which a thrifty and honest man can take up land and without very much capital can hope for success for himself and family.

In Canada we have no such encouragement to offer to settlers. In Alberta the loan companies have practically all withdrawn, partly because of losses they suffered by reason of failures of crops, and the depression which followed the war, and possibly partly by the legislation which Alberta has upon her Statute Book, whereby a number of prior claims constitute a first mortgage. Of course, that Province is responsible for that condition, and we should not necessarily look for relief to the Dominion Government because of that; yet those things prevent the loan companies from lending money. Then the banks, which loaned freely a few years ago, have necessarily become collective agencies in that Province, with the result that there is no money available in Alberta for the farmer. If he has a failure or partial failure of crops, what is he to do? During the war, partly for patriotic reasons, the farmer increased his land and machinery in order to speed up production, with the result that to-day many farmers who were pioneers in that Province find themselves in a very They may owe money embarrassing position. to the machine company on which they are paying possibly one per cent a month; they may possibly owe store accounts, and perhaps have a mortgage on their farm on which they are paying from 8 to 10 per cent. Such a farmer finds it impossible to tide over, especially if his crop fails. There is nowhere Until recently the merchants he can look. tided over very many settlers in that province; but the credit of the merchant has been exhausted; consequently his business is run practically upon a cash basis. The result is that, however much wealth the farmer may have in land and implements and equipment, he is utterly helpless, he has nowhere to look. because the more he needs because of crop failure in one year, the less likely he is to get assistance from the banks, an advance to him not being a real banking proposition. Thus there is an urgent need in that Province for some method by which the settler on the land can tide over emergencies, and place himself in a position where he and his family can become a permanent asset to the country. On account of these conditions many hundreds and

thousands of settlers have had to retire and give up their lands, and I am sorry to say that many have gone south, where opportunities seem to be better.

A system of agricultural credits by which those settlers could consolidate their debts and put them upon a better basis, with reasonable hope of meeting the charge against the land by reduction of principal and interest, and ultimately paying off the debt, would enable thousands of settlers to remain upon the land and become a permanent asset to Canada. I am not in favour of making money too easy for people on the land; but in a new country it is absolutely necessary that money should be available for legitimate farming purposes, and unless it is so I do not see any immediate chance for that Province to progress very much.

This problem is connected also with the immigration policy of this country. The Government tells us that it wants people to settle on the land; that is the class of settlers it is bidding for. But what is the use of spending money to bring those people to Canada if we have no way by which those with limited means can settle on the land and succeed? If the people now on the land in the Western Provinces cannot hold their land, or succeed under present conditions, how can we expect new settlers to come to a strange land, with small capital, and succeed under these conditions?

Then, we have to compete with New Zealand, where they have a land settlement scheme; and with Australia, which has a similar scheme. In order that the Government policy of immigration should succeed we need some system of financing the settlers, otherwise we cannot hope for much success along immigration lines. We all know that what Canada needs to-day is population. We have the machinery of government, and we have trailroads sufficient for at least twice the present population; but, in order to get people to fill the far-flung areas of fertile land we must devise some method by which new settlers can reasonably hope for success.

We hear people to-day say that in Canada there is no East and there is no West, that we are an united country. There is an East, and there is a West, geographically and they are a long way apart, and their problems are very different; but with every problem there is a way of solution, and I believe it is possible to solve these problems of East and West in the interest of the Dominion. But we must be willing to make mutual concessions; the East must make concessions to the West, and the West must be willing to meet the East. I have heard some eastern members express disapproval of any system by which the credit of this country should be pledged to raise money particularly and principally for agricultural credit in Western Canada. But, honourable gentlemen, it seems to me that the success or failure of our immigration policy, the increase of population, and the onward march and development of our agricultural areas, are all involved in this one question; and, unless the East can see its way clear to assist the West, and tide it over such a crisis as we are going through in Western Canada, there is very little hope for the immediate future prosperity of this great Dominion.

The honourable member from Moose Jaw spoke of the economic handicaps of Western Canada—of the transportation, which is ad-verse to the settler of the West, of the tariff, which bore so heavily against selling our products to the south. A few years ago we could sell in Chicago our stock cattle, and stock that was not mature for the European market. This was a very profitable business, but to-day the tariff prevents access to the American market. The handicaps referred to would be alleviated to a certain extent if we were on as good a basis to develop our land as are farmers in Eastern Canada. Even in the old Province of Ontario we find a great deal of land which was once producing wealth, that is now growing grass and is used for pasture-three, four or five farms being controlled by one man who runs his stock on the land in place of growing grain. Even Ontario does not seem to be as profitable as it once was along the lines of agriculture.

Is not the problem that of financing agriculture, having the proper system by which the man on the land can use money profitably? The farmer cannot pay the same rate of interest as a commercial enterprise, or as a manufacturing plant which makes quicker profits. The farmer must have his money over a longer period, and at a lower rate of interest; and, if we are to succeed, either in the East or the West in this country, in the basic industry of Canada, we must devise a better system of financing the man upon the land, for if we cannot succeed in agriculture the other industries of Canada must fail. In order that the man on the land may succeed he must have money at 4, 5 or 6 per cent, so that he can invest it in stock or implements, and use better methods to work his land; but he cannot pay 8, 9 or 10 per cent and make a profit.

A report on agricultural credit in different countries of the world was prepared by Dr. Tory, President of the Alberta University, Hon. Mr. MICHENER.

and it was printed by order of Parliament and distributed during a previous Session. This Session a supplementary report was printed, and has been distributed. I trust the honourable members of this Senate will carefully read those reports, because they are excellently written. Dr. Tory has taken great pains to get information from different parts of the world, and he has given us a splendid résumé of the whole question. I hope that if the Government see their way to bring down a Bill this Session it will receive the best consideration of honourable members of this House, and that they will remember, when deciding upon that issue, that there are many other issues in Canada involved in the success or failure of Western Canada in the immediate future.

The supplementary report of Dr. Tory considers four different methods of agricultural financing, so as to give a new stimulus and new encouragement to the people on the land. First, he refers to the loan companies, and considers whether those companies could not carry out the plan. It is done in the United States to a large extent. Yet those companies do not supply the demand, the real need of the men who require the money, because those companies are loaning for profit, whereas if we are going to encourage agriculture as a basis of success for other industries of this country we must give them a preference, and lend the farmers money at actual cost plus cost of administration, so that they will be encouraged to go upon the land.

Dr. Tory refers also to corporations, but the same objection may be urged against them.

As a third plan, Dr. Tory refers to the agricultural system of the United States. It requires, perhaps, a greater population and a denser settlement than we have in Canada, and it involves large administrative expenditure, which, might not be considered wise for this country at present.

Dr. Tory recommends a combination of Dominion and Provincial authority-that a Bill be introduced by the Dominion Government providing that the credit of the Dominion be pledged for the money required by the different Provinces which desire to put this plan into operation. Then the present provincial legislation can be unified, so that a province would be responsible to the Dominion for the payment of the money secured by the Dominion, at a very much lower rate of interest. The Province being responsible, there would be no loss of money involved so far as the Dominion Government is concerned. Then the province, through administrative boards composed of the most capable business men, would loan the money in a very conservative way, and would consider first, possibly, those cases in which a farmer could consolidate his debts, upon which he is paying a very high rate of interest, and in this way establish his indebtedness on such a basis that he could work himself out. There are in Alberta to-day many thousands of people who will never work themselves out of debt. It is impossible for them to remain on the land, especially in case of crop failure. In the West, we have greater natural handicaps than you in the East. We are very much more subject to frost, drought and hail, than you are in Eastern Canada. If a man is unfortunate enough to have his whole crop hailed the day before he starts to cut, he is placed in such a position that he cannot help himself. In Ontario, if a man has trouble-sickness or financial losshe can go to his neighbour for there is usually some man in the district who has a little money ahead, and who will help him. In Western Canada this is impossible. No one there has money to loan, individually speaking, so you can readily see that any man who is unfortunate by reason of the exigencies of nature is absolutely unable to go on and tide himself over until conditions improve. It is of these special cases, I presume, the board would take first consideration, and the wise and businesslike use of funds would. I believe, be a great boon and encouragement to settlers already in the West, and would also make it possible for new settlers to come in, and locate successfully and reside on the lands of Western Canada.

It is difficult, no doubt, for honourable members in Eastern Canada to realize the conditions to which we are subject in Western For that reason it is difficult, Canada. perhaps, for some honourable gentlemen to see the necessity of pledging the credit of the Dominion for the assistance of the farmer, particularly in Western Canada. Yet I believe, honourable gentlemen, some such method of agricultural credits as that recommended by the report of Dr. Tory would be not only a great encouragement to development in Western Canada, but would redound to the benefit of the East, and would bring prosperity to the whole of Canada. I trust that honourable gentlemen of this House will give this question their favourable consideration, and that the Leader of the Government in this House will call the attention of his Government and of the country to the necessity of some system of financing agriculture to the end that agriculture, which is the foundation of industry of Canada, may be put upon a better basis so that we may reasonably

hope in the years to come for an increase in population and a more rapid development than we have had in the past few years.

Hon. N. A. BELCOURT: Honourable gentlemen, this is a subject which a number of years ago was brought to my attention, and to which, at the time, I gave considerable thought. I think the honourable member from Moose Jaw (Hon. Mr. Willoughby) is to be congratulated on bringing the matter to the attention of this House. I look upon it, as I did in years past, as one of the most important and most practical things that this country ought to do.

The subject is by no means new. It had its origin immediately after the Seven Years War, when Frederick the Great found his barons and seigneurs suffering under very great difficulties because of the tremendous agricultural depression brought about by the ravages of The idea which has been carried the war. out since in many countries of Europe, and which is being applied to-day in the United States, was in existence under his regime. He obliged the large holders of land in Silesia to form a sort of combination by which they mortgaged their lands for loans secured, very much in the way which has been followed since. The success of the plan was very marked, and immediately the example was taken up in different countries in Europe. It spread to Norway, Sweden and France, and throughout Germany, Italy, and so on. As was pointed out, it had its manifestation in France in the establishment of Credit Foncier, and in Italy in the Credito Fondario, both of which have met with great success.

Just about the time my attention was brought to this subject, in 1913-perhaps I shall be permitted to make a personal reference-I had the great advantage of discussing the matter with the late Duke of Argyle, whose son, the present Duke, had become interested in a company which intended to carry on this work in the Canadian Northwest. I had several discussions with him, and with the promoter of the company. Just about that time President Taft had appointed commission, called the United States a purpose of Commission, for the doing what has been done recently by Dr. Torygoing thoroughly into this matter on the ground. These commissioners were sent to Europe; they went all over Germany and the other countries where this system of rural credit in its various forms had been adopted and put into practice. Ambassador Herrick, who was at that time in Germany, gave the matter his own personal thought and atten-

tion. The result was that an elaborate report -not more so than the one we owe to Dr. Tory-was sent to the President of the United States, and in 1916 a Federal Act was passed for the purpose of determining the manner and the conditions under which the system advocated should be put into practice in the United States. Unfortunately, the work was much delayed. The corporation which was formed at that time for the purpose of carrying out the undertaking-that is, the Federal Land Bank-was prevented from going on because of proceedings taken against it on the ground that the Federal Act was ultra vires and was an infringement of state rights. Litigation followed, and it was not until 1920 that the plan which had been so successful in Europe was tried and carried out in the United States.

Whilst the plan has been in operation in the United States only since 1920, any honourable gentleman who reads Dr. Tory's reports and other literature on the subject will be amazed at what it has accomplished. In the United States, as here, in 1920, 1921 and 1922 the agricultural depression was very bad. The farming industry had been carried to the very top of the hill during the war, and almost immediately the war came to an end it was thrown right to the bottom of the cliff. If it had not been that in many of the States of the Union this system was in force, the depression would have been far worse than it was; and in many parts of the United States it actually saved the agricultural industry. I am quite convinced that if we in Canada had had in operation a system of that kind, the agricultural depression in this country would not have been anything like it was.

The fundamental principle of the system consists in the getting together of a number of people who mortgage their lands to enable the issue against those mortgages of securities which are very easily disposed of. They are in fact negotiable securities.

The United States is divided into twelve districts, in each of which there is one or more what are called National Farmers' Associations. The farmers join, and subscribe for a portion of the capital stock-I think not less than five per cent of the amount which they are going to borrow. The local association takes these mortgages, and they are passed on to the Federal Board sitting at Washington, which has general supervision over the whole. Against these mortgagesjust as was done in Germany and elsewhere--bonds are issued equal to the amount of the mortgages. The money is loaned at not more than fifty per cent of the actual value, so

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that the bonds which are issued to the amount of the loans offer perfect security.

I will go only very briefly over this matter because it is somewhat involved in detail. Under this Federal Board they have been enabled to provide the farmers in almost every portion of the United States, even in some arid portions like Arizona, with money to acquire land, equip themselves, improve their farms, intensify their cultivation, and meet the cost of improvements.

Hon. Mr. GRIESBACH: What is the difference between the rate of interest which the farmer pays and the going rate of interest?

Hon. Mr. BELCOURT: I was just coming to that. This is accomplished at a rate of interest varying from $5\frac{1}{2}$ to 7 per cent. As a matter of fact, the average has been nearer to $6\frac{1}{2}$ per cent than 7 per cent, and that provides for amortization.

Hon. Mr. WILLOUGHBY: And the rate is the same all over the United States.

Hon. Mr. BELCOURT: Yes. That provides for amortization over a period of 32 or 34 years. The farmer is thereby enabled to buy land, to improve it, to equip himself properly, and to intensify his production; and at the end of 30 years he has paid everything, capital and interest, and does not owe one cent.

This, honourable gentlemen, is not a dream; it is not some fanciful scheme; it has been in actual operation for more than a century in Europe. Some of these loan companies in Europe have issued their capital over and over again as much as twenty times.

Hon. Mr. GRIESBACH: I understood the honourable gentleman to say the rate of interest to the farmer was $6\frac{1}{2}$ per cent. What was the going rate of interest that he would have had to pay if there had been no such scheme?

Hon. Mr. BELCOURT: Of course, of that my honourable friend is as good a judge as I am. We all know that in this country, even in the very best portions, a farmer cannot get money at less than 7 per cent, and he is very lucky if he can get it at that. In the Northwest we know that nobody can get money at less than 7 per cent or 8 per cent, and that sometimes 9 or 10 or even 121 per cent has to be paid. Any body who reads Dr. Tory's reports will know what is being done today in the United States, not only in the best portions, but all over the United States, taking the bad with the good. If that is so, surely this is a matter that interests not merely our friends in the West, but is of vital interest to every farmer in Canada. It

was stated a moment ago that in Ontario there are large farms where formerly grain was grown and which to-day are used simply for pasturing purposes. If money can be got by the farmer in the way I have described for the purpose of intensifying his cultivation, surely these lands will not be given over to pasturing but will be turned over to intensive culture, and not only the West, but the East is going to benefit.

In the United States, at the commencement of these Federal farm banks, the Federal Government advanced three-quarters of a million dollars to each one of the district banks. That has all been paid back long ago. To-day those banks are absolutely selfsupporting. That again is nothing new: that has been the history of all this financial farming or rural credits in Europe.

Hon. Mr. GORDON: The honourable gentleman mentioned 30-year bonds and also mortgages. Am I to understand that money is loaned on mortgages for that term?

Hon. Mr. BELCOURT: What is done is this. A mortgage is given for say 30 years, covering both principal and interest by way of amortization. The 30 years will enable the farmer to pay off the whole of the money With these mortgages the comborrowed. pany issues obligations or bonds which are sold throughout the community, and which find a very ready sale. This scheme has the great advantage of getting over the difficulty which the farmer in every country has had to meet, namely that of going to the private money lender, either a person or a corpora-The money lender does not want to tion. lend money for ten, fifteen, twenty or thirty years. He may make a mortgage for five years, or perhaps for ten, but that is the utmost. By this pooling of mortgages you are enabled to issue bonds against the very best security in the world, because, after all, agricultural security is the safest of security. You are enabled to issue absolutely negotiable documents. These bonds may be made for three months, or six months, or a year, or a longer term, and if anybody who has lent money and has these securities in his possession gets into difficulties, or is suddenly called upon to meet obligations, he simply turns in his bonds and gets his money. In that way you overcome the difficulty which I mentioned before, of the farmer having no other means of financing than the money lent him in the ordinary way.

Hon. W. B. ROSS: Before the honourable gentleman drops that point I would like him to inform us a little further. What is the unit of a pool? As I understood it, one man

alone cannot borrow on a mortgage, but a number join together. Is that how it is done?

Hon. Mr. BELCOURT: No. What is done is, as I said before, that the National Farmers' Association is formed—

Hon. Mr. ROSS: I understand that.

Hon. Mr. BELCOURT: And, so far as I have been able to gather, it is not necessary that there should be any stipulated number of farmers engaging to mortgage their lands. It is a matter which has a start to-day and grows. A certain number of farmers may mortgage their land to-day, but the same process is going on all the time and the number is increasing. The system they have over in the United States enables them to take care of a number of mortgages of that kind, however few there may be in practice.

Hon. Mr. ROSS: If I were a farmer there and mortgaged my farm in a pool, and some of the other farmers failed to meet their obligations, would there be any responsibility on me, or any effect on the mortgage on my farm?

Hon. Mr. BELCOURT: No. Each loan stands by itself. It is altogether an individual loan. There is no joint responsibility. Perhaps the word "pool" is not the proper term.

Hon. Mr. ROSS: That was what was puzzling me.

Hon. Mr. BELCOURT: Perhaps I should not have used that word. What I meant was that a number of farmers get together for the purpose of forming this National Farmers' Association. Whether there are ten, twenty or fifty, I do not know. They say: "We shall borrow money in this fashion. We shall buy so much stock in this Association which we are forming to-day, and we shall mortgage our lands, and through the Federal Board, which sits at Washington, we shall obtain our money." The Board at Washington issues bonds, or obligations, or debentures —whatever you like to call them—as against these loans.

Hon. L. D. WEBSTER: Are there any foreclosures on those loans?

Hon. Mr. BELCOURT: There would be, I suppose. Some might not pay.

Hon. Mr. WEBSTER: No.

Hon. Mr. BELCOURT: In an article which I read not long ago the percentage was given. I forget the exact figure, but it was very, very small.

Hon. Mr. WEBSTER: What is the result in the case of a man who has mortgaged his farm in that way and does not live to the end of the thirty years and pay off the mortgage?

Hon. Mr. BELCOURT: It is like every other mortgage or obligation: the legal representatives look after it.

Hon. Mr. WEBSTER: Will the legal representatives or the heirs take over the repayment of the loan?

Hon. Mr. BELCOURT: But the loan is against the farm, and they must look after it in some way or other; just as, when my honourable friend goes, his legal representatives will attend—perhaps not so well as he does, though—to his obligations. These loans are dealt with in just the same way.

Hon. Mr. WEBSTER: Yes, but the heirs may not be willing to continue.

Hon. Mr. BELCOURT: Then it is a case of realizing upon the security.

Hon. Mr. WEBSTER: What if the security is not worth the amount of the loan?

Hon. Mr. BELCOURT: The security must be worth the amount of the loan, because no loan is made for more than 50 per cent of the value.

Hon. Mr. WEBSTER: It may have depreciated beyond the 50 per cent.

Hon. Mr. BELCOURT: These are ordinary risks. Honourable gentlemen must not think that this is absolute insurance against every possibility that may arise. I am not setting forth my own opinion upon it; I am citing to the House what has been accomplished through this system in the different countries of Europe and what is being done to-day in the United States, and I am quite satisfied that anyone who will look over the record will be perfectly assured that the system is absolutely sound, and perhaps the soundest method of financing that exists anywhere in the world.

Hon. Mr. DANDURAND: The honourable gentleman has not stated the principal aim of the issue of the bonds. It is in order to have constantly liquid money to relend.

Hon. Mr. BELCOURT: Yes. I thought I made that plain by saying that this scheme offers the solution of the difficulty which has confronted every farmer in the community in securing financial assistance, in that it provides for the issue, as against mortgages, of securities which are quite liquid and negotiable and may be handed from one person to another.

Hon. Mr. DANDURAND: And the treasury is replenished.

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Hon. Mr. BELCOURT: The treasury is replenished. I think I stated that in the Landschaften of Germany they utilized their credit over and over again, as many as twenty times. The bonds are issued as against the mortgages; as the money comes in it is lent out again on securities; as against these securities new obligations are issued; and the process goes on in that way almost indefinitely.

Hon. W. B. ROSS: That is, on land?

Hon. Mr. BELCOURT: Yes, on land.

Hon. Mr. ROSS: A man in the Northwest whose farm is mortgaged, but who has substantial stock and implements, may want to borrow money. In Germany this used to be the practice—and this is what I had in mind with regard to the pool question. If, say, five farmers wanted to borrow money, not on land, but on personal property, the five of them formed a pool, borrowed a certain amount and distributed it among themselves; but they were all liable.

Hon. Mr. BELCOURT: But there is a channel through which that money may be secured, and that is through the ordinary bank. It will advance money on the products of the farm. The banks, because of the legal impediments under which they operate, are not in a position to lend directly on lands. My honourable friend and every other lawyer in the House knows that the banks cannot do that kind of business, but they can lend on movable property, they can take warehouse receipts, chattel mortgages, etc., and in various other ways it is permissible for them to carry on. But that does not solve the difficulty. What was wanted in Europe at the time of this great agricultural depression of which I spoke, what was wanted in the United States ten or twelve years ago, what is wanted in Canada now because of our great agricultural depression, is a ready means by which the farmer could go and get the money he needed to carry him over present difficulties.

Hon. W. B. ROSS: On his land?

Hon. Mr. BELCOURT: On his land.

Hon. Mr. ROSS: I understand that the rural credit system does not touch anything but land.

Hon. Mr. BELCOURT: Provision has been made for-

Hon. Mr. WILLOUGHBY: Intermediate credit banks.

Hon. Mr. BELCOURT: —for what are called intermediate rural credits. But I was not dealing with that phase of the question. My honourable friend realizes that this is a pretty wide subject and that in the short time given one cannot possibly cover every point. I was trying to give, as it were, a birdseye view of the operation, in order that honourable members of the House might make it their business to read the report made last year by Dr. Tory and the supplementary report, to which the honourable gentleman who has last spoken has referred. That was my principal object in rising to speak. Those reports are most interesting and will, I think, commend themselves to the attention and deep consideration of every honourable member of the House.

Credit is to-day available for almost every industry but agriculture. It is easy for anyone engaged in trade or business of any kind to procure money in order to carry on his operations. The credit system is at the basis of the whole world's business to-day. If you do away with credit and deprive trade, commerce and industry of the means of obtaining financial assistance, you destroy them. Yet the farmer has not such facilities. He has often the best security in the country, but he has no chance, or but a very limited chance, to get the money which he needs; and in order to obtain money he has had to pay as much as 10 or 12 per cent, and is doing so to-day. If it is correct to say that agriculture is the basic industry, the most indispensable of all, it is nowhere truer than in Canada. Then, surely, those facilities which are afforded to every other industry should be provided for this basic industry of agriculture. If we put agriculture on a proper basis, if we give the farmer the opportunity of doing the best he can with his land, we at once see the result reflected in all the other industries of the country.

I was saying a moment ago that the idea of credit is at the basis of all trading and industrial operations nowadays. It has been developed in certain parts of the United States to such an extent that the wholesale merchant to-day can secure absolute insurance for his trading accounts. Credit associations in the United States to-day are issuing to wholesale merchants insurance by which they guarantee that all his trading accounts will be paid in full, and so well is the system organized, so thorough and complete is the supervision, that the actual loss on insurance of that kind to-day is less than one-tenth of one per cent. I mention this fact for the purpose of showing how derelict we have been in not extending to the best of our industries such means of doing business as are available to every other industry in the country.

The preference of the person who lends money—I mean, not the man who wants usurious interest, but the ordinary money lender is to lend his money where he can get it back when he needs it. He does not want to immobilize—if I may use that word—his capital. For that reason he is not in a position to lend to the farmer; or, rather, the farmer has no advantage whatever in seeking money from that particular person.

I have given the matter some thought, and I do think, and urge, that the Government would be perfectly justified in arranging and providing for Canada some system, similar to that which has proved so eminently successful in the United States. It would be amply justified on the grounds which have been urged by my honourable friends who have preceded me, and because of the need, to which slight reference has also been made, for filling up this country with population.

If you peruse Dr. Tory's report you will see that this system is in effect to-day practically all over Europe. It is practised in the countries which are seeking to obtain population from the very quarters in which we are seeking it. In New Zealand and in Australia the system has been in force for years, and by this means, together with their schemes of land settlement, they are enabled to get the best of immigration where we cannot get any. So successful has been this manner of financing the farmer in the United States that in the last ten years a great many of our own farmers in the West have left their lands in Canada to go and purchase lands in the United States, because there they would have financial facilities to a very large extent. Dr. Torv mentions the fact in his report.

Hon. W. B. ROSS: Canadian farmers have gone into New England and done the same thing.

Hon. Mr. BELCOURT: They have gone to New England and to the Dakotas and Minnesota and that region, for the purpose of taking advantage of those financial arrange-They borrowed money, and with this ments. and what they already had they have purchased lands. They can take thirty years to pay off the loans. They are improving their lands and carrying on intensive cultivation. I may be carried away by my own impressions, but I cannot see that there is anything more beneficial or anything more justifiable that the Government of Canada could do to-day than to provide, very much in the way it has been done in the United States and in Europe, this financial credit for the farmers.

I have taken longer than I intended. The ground had been pretty well covered by my honourable friends who preceded me, and I rose merely for the purpose of emphasizing the importance of the subject. It is now ten or twelve years since I studied the question and gave it a good deal of attention. I have not had occasion to consider it much since. but the speeches to which we have listened reminded me of what my impressions were at the time. Personally I feel quite free to join our friends from the West who have spoken, and I do so with very great pleasure. I am speaking now not for the West alone, but for the East as well, because I think the East has just as much benefit to expect from this system as the West. I do hope that the matter will be taken up very seriously by Members of Parliament and by the Government, and that we may have, if not this year, at a very early date- the sooner the bettersome Act which will help to overcome the present agricultural depression, meet the needs of immigration and promote the future development of the best and surest of our industries. It does look, after all, as if Canada would become the granary of the world. I do not think that is a vain boast. The country to the south is filling up. The attention of our neighbours is directed more to industrial pursuits than to agriculture. If they continue to increase their population as they are now doing, they cannot themselves provide all they need in the way of food; they must have recourse to Canada. Now is the time for us to prepare and put our agricultural industry on a basis which will insure the benefits that are in store for us.

May I add this, honourable gentlemen? I have thought more than once that we in Canada have made and are constantly making a very serious mistake. If we consider for a moment what it is that God has given us and what are the real natural resources of Canada, we come immediately to the conclusion that they are our fertile fields, our forests, our fisheries and our mines. These are the resources which we have in plenty, and it is to them that Canadians ought to apply all their energies and activities. We have made and are making a mistake in trying to establish in this country what I would call artificial industries; the textile industry, for example. We bring cotton a distance of hundreds or thousands of miles to textile mills in Canada. This is not the place to manufacture coton. God never intended it so. No cotton is grown in this country. Why can we not devote our atten-Hon. Mr. BELCOURT.

tion, our brains, our energies and our time to cultivating and developing just what we have here, without seeking to establish artificial industries which are constantly demanding protection, bonus, or assistance of some kind or other? It seems to me that if Canada is to escape from the bad hole in which it is now, we must put on our thinking-caps and do some serious thinking. We cannot go on as we have been doing for so long, depending on the fertility of our soil and forests and fisheries and the abundance of those supplies with which God has blessed us; we cannot go on indefinitely bragging about what we have got, while taking no steps to coordinate things, and carry on with business methods. We cannot go on wasting as we have been wasting. This country will not survive if we do not apply business methods to our different resources, if we do not try to conserve and preserve them. Canada cannot stand the pace of that tremendous country next to us: it cannot stand the gigantic development that is going on there, a development in every direction and every branch of business, commerce and industry.

We are under climatic and other difficulties here. We are a great people, we are a good people, we are a sane people, we are an intelligent and talented people; but these alone are not going to be sufficient. We cannot trust to our talents alone: we must work; we must think out things, and work them out on sound economic principles, and sound and proved business methods. Let us begin with our agriculture.

Hon. Mr. DANDURAND: Honourable gentlemen, I feel like congratulating myself for having suggested to the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) that he should proceed with the discussion of the question which he had on the Order Paper. He was first disposed to see what the Government was ready to do this Session. I suggested that we would hear him, and that the Government would hear him also.

Now we have had from the honourable gentleman from Red Deer (Hon. Mr. Michener) and the senior member from Ottawa (Hon. Mr. Belcourt) two splendid additions to the statement made by the honourable gentleman from Moose Jaw, and I am quite convinced that the Government will be wiser in continuing the study that it has undertaken towards a fair and happy solution of rural credit.

NOVA SCOTIA COAL MINES DISPUTE DISCUSSION CONTINUED

The Senate resumed from yesterday the adjourned debate on the notice of Hon. Mr. Robertson:

That he will call the attention of the Senate to the serious conditions in the coal mining districts of Nova Scotia, and inquire what if any action the Government intend to take in order to bring about a settlement of the dispute between the Miners and The British Empire Steel Corporation.

Hon. JOHN McCORMICK: This matter is so important to the Province of Nova Scotia, and especially to the part of that Province from which I come, that I should like to take this opportunity of removing some misapprehensions and wrong impressions from the minds of the public, and possibly from those of some honourable members; and indicate what I think are some of the causes of the protracted troubles in the coal fields of Nova Scotia. No doubt much of the trouble and annoyance arose prior to the time of the taking over of the properties by the present holders, the British Empire Steel Corporation.

I am not here to say that it was not proper to call out the militia during the trouble in 1909; but certainly the coal miners of that province are not the lawless body of people which some sections of the public seem to consider them, on account of actions in the recent past in connection with those works. Let me say that under the present conditions there has been no lawlessness of any kind; that no act has been committed in the collieries which would require the calling out of soldiers, or even the provincial police. I may add that during the whole period of coalmining operation at Sydney Mines in that part of Canada, starting in 1828 and coming down to 1909, there were only two strikes of any importance in that region. Further let me say that in that section of Cape Breton we have a larger element of native population than in many other sections. By natives I mean Canadian people who are sons or grandsons of our original settlers. During the whole period named, and even in 1909 and down to the present time, during all the troubles that have taken place in that region-Sydney Mines, Florence and Little Bras D'Or-at no time has there been one soldier or one provincial policeman called to maintain order. nor was there need for the attention of any such at any time.

We have in the coal and steel industry, the largest organization of capital in any industry in that section in Canada. The company has the largest number of employees of any corporation in Canada, barring the railways. Since early in 1870 they have been furnishing the coal supply of the Maritime Provinces, and also, under improved conditions of operation and improved appliances of transport, they have increased production of coal, and had obtained in the markets of Quebec an opening for over two million tons of coal annually. For several years during the war, on account of the loss of shipstheir special carriers being used for carrying munitions and provisions to the war zone. for Great Britain and the Allies-that Quebec trade was disorganized. The demand for steel for munitions was so great that the people in Nova Scotia were not much hurt by the loss of the ships at that time, because the call for steel made a demand on the coal resources of that province, so that employment was available for all men who could assist in coal mining.

The British Empire Steel Corporation, after coming into possession of its properties, had difficulties on account of the loss of the carriers. These not being available for some time, and the Company not being able to supply the St. Lawrence demand during the absence of the ships, that market was largely supplied from the United States, and the business had to be restored, little by little since that time.

The real cause of the present trouble in the mines should be referred to. Until very recently we had not merely radical, but communistic, leadership in the person of James McLachlan and his associates. I must say that that leadership had most evil effects on the men, by inculcating in them a hatred towards their employers, so that they felt justified in taking any opportunity they could to gain an advantage over the company. Mc-Lachlan not only influenced the radical element there, who form only a small fraction of the mining population, but he had an influence on the better-minded people.

McLachlan's appeal to the miners took this form: "You are refused increases in your pay because this organization has come in here with a very inflated capital." The Company has denied that, and other statements made by this man in his speeches and in their paper. McLachlan also said that the Company had acquired a number of properties that were idle and unproductive, such as the shipyards at Halifax, that had not turned out a ship since the Armistice. He also pointed to the Steel Works at Sydney Mines that had not operated since the company took possession. He also impressed upon the miners that those men who go down in the bowels of the earth are called upon to provide not only the capital and earnings that should reasonably be expected from the operation of going concerns, but they also must provide means to carry those dead limbs, those unproductive enterprises such as the steel plant and ship yards. These things may not be so, or they may be so, or they may be partly true or partly untrue, or wholly untrue; but those are the things that are causing discontent among the men. These statements have not been proven one way or the other.

I hope, and I have reason to believe, that a better feeling is now prevailing down there. I used to feel humiliated a few years ago when we would see those wild communistic resolutions passed down there, for I knew that they were not the opinions or sentiments of the great body of law-abiding working people in the coal mines of Nova Scotia. Nowhere on this continent is there a more orderly, peace-loving and intelligent body of men than those who are working in the Nova Scotia coal mines. The Union in District No. 26 has no greater enemy in the province of Nova Scotia than McLachlan and his crowd. He so antagonized the Company by his conduct in asking for and obtaining a repudiation of contracts, and by his order for striking on the job, that he lost the confidence of the United Mine Workers, and he has been made ineligible for any representative position, or any office in the Union of Coal Miners. McLachlan also told the men: "You are mining coal and it is being sold at a certain price, and it requires an explanation, and the people of the Province have a right to an explanation." I was impressed with that statement to some extent. I was down in Halifax in the year 1923, just a week before Christmas, when Cape Breton coal was selling there for \$11.50 a ton. A few weeks afterwards I was told that here it was as high as \$12.50. That is a matter of some concern, a matter that ought to be inquired into. I was down with a deputation from my own town, and was discussing some matters of interest to the northern side of the water with the Premier, and I told him that something should be done about that, that there should be some inquiry by someone, and that I did not know of anybody that was more directly charged with responsibility for making that inquiry than the Government itself. But nothing was done. I want to say that after an inquiry the people will know and the miners will know whether or not the statements that were made to them are correct, and whether it is necessary to charge such prices in order to give the company a legitimate earning on its investment and the working population a fair and reasonable Hon. Mr. McCORMICK.

wage, even a generous wage, for the hazardous occupation in which they are engaged.

I believe that the Premier of Nova Scotia has been endeavouring to arrive at a settlement, and I have confidence that ultimately this matter will be adjusted. The people generally are anxious for a settlement of the difficulty, and this body, for instance, has been endeavouring to find a solution. My honourable friend from Welland (Hon. Mr. Robertson) showed last night that he was trying to find some means of settling the difficulty.

I think a great mistake was made, and I regret it. Previous to the last conference Mr. Armstrong promised a board to consider this whole question, the findings of the board, whatever they might be, to be compulsory. The company at that time offered to pay during the course of inquiry the rate of wages paid during 1924, but the offer was refused. At the time of the last conference, when Mr. Armstrong was making a final attempt to get the men and the company together. the men had receded from their first position of asking an advance of 10 per cent, and had said that they were willing to take the wages of 1924, but the company refused to make any concessions whatever.

As to the suggestion made by the honourable gentleman from Welland (Hon. Mr. Robertson), I think that perhaps he asks more than the Province of Nova Scotia could give, namely, that the province should remit the entire royalty on coal. This year the production of coal has been very small, and as a consequence the royalties have been very small. It seems to me that if half the royalty were remitted, say 66 cents a ton, it might go a long way towards effecting a settlement, and might be sufficient to induce the company to accede to the demands of the men for pay on the 1924 scale.

The Government of the Dominion, I am glad to say, has made two efforts to assist this important industry of the Maritime Provinces. Last year there was an allowance made on freight to assist in the shipment of Maritime coal to points further west in the Province of Quebec and the Province of Ontario; and this year a very valuable concession was made, particularly valuable to the Island of Cape Breton, in regard to shipments by water. But I believe there is something else which should engage the attention of the Government-perhaps not at the present time when it has to provide so much money for obligations already undertaken-and that is the question of the feasibility of some scheme to make it possible to take Nova Scotia coal into the Great Lakes. The cost of transporting coal from Cape Breton to Montreal by rail is something like \$3.60, whereas by water, in ordinary times, it can be carried for something like 85 cents. Our railways have all they can do to carry on and even with the improvements made by Sir Henry Thornton in reducing the obligations of the road, any concessions made by the railways will be only of a temporary character. But if the canals between Montreal and Lake Ontario were deepened to 22 feet, coal could be shipped in cargoes of 4.000 or 5.000 tons direct from the mines to ports in Ontario without breaking bulk. In my judgment that would be a benefit not only to the coal mining industry of Nova Scotia, but would to a large extent relieve the Province of Ontario in its present dependent position in regard to coal. And let there be no doubt about the ability of the coal fields of Nova Scotia to furnish all the bituminous coal consumed in Ontario. In the county of Inverness there are some of the finest coal fields in the Province of Nova Scotia with veins ten feet thick, eight feet thick and six feet thick, all capable of producing coal unsurpassed by any in Nova Scotia except that in the territory from which I come, which produces the best coal in the province. Seventeen square miles of these fields are now under lease, and there are other fields, owned by an honourable member of this House, where there are two excellent seams of coal, one eight feet thick and the other five feet thick; and if the Government were to acquire the shore road in the county of Inverness there is a probability and almost a certainty that the requirements for bituminous coal and coal for coking, and even coal to supplant anthracite to a large extent, could be supplied from the island of Cape Breton.

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

PRIVATE BILL

FIRST READING

Bill 42, an Act to amend the Toronto Harbour Commissioners Act, 1911.-Hon. Mr. Macdonnell.

MIGRATORY BIRDS CONVENTION BILL

FIRST READING

Bill 44, an Act to amend the Migratory Birds Convention Act .-- Hon. Mr. Dandurand. S-15

HIGHWAYS BILL FIRST READING

Bill 68. an Act to extend the period of the Canada Highways Act .-- Hon. Mr. Dandurand.

GOVERNMENT ANNUITIES BILL FIRST READING

Bill 71, an Act to amend the Government Annuities Act, 1908.-Hon. Mr. Dandurand.

PENSION BILL

FIRST READING

Bill 70, an Act to amend the Pension Act. -Hon. Mr. Dandurand.

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

THE SENATE

Thursday, May 7, 1925.

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

Prayers and routine proceedings.

ADJOURNMENT OF THE SENATE

Honourable Hon. Mr. DANDURAND: gentlemen, I desire to inform the Senate that, if there is no objection, as we shall very likely exhaust our Order Paper this afternoon, we shall not sit to-morrow; but this will be the last Friday on which we shall take a holiday, because work is now coming on from the House of Commons. So when the House adjourns this afternoon it will stand adjourned until Tuesday evening at eight o'clock.

COLIN MCKENZIE, K.C.

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Was Colin McKenzie, K.C., of Sydney, Nova Scotia, appointed by any department of the Govern-ment, or authorized to visit the United Kingdom during 1924?

For what purpose was he to make such visit?
 When did he go and when did he return?

4. What compensation is paid to him, and to be paid to him,-

(a) For services, (b) For expenses,

(c) For other purposes?

5. Is there any report or statement of any kind from him in regard to the purposes of his visit; and if so the Government is asked to lay the same on the table of the House.

Hon. Mr. DANDURAND:

1. No.

2, 3, 4 and 5. Answered by No. 1.

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REVISED EDITION

CANTEEN FUNDS—PAYMENTS TO VETERANS

RETURNS TO ORDERS OF THE SENATE

Hon. Mr. DANDURAND: I desire to lay on the Table a return to an order of the Senate dated March 19, 1925, showing a copy of Order in Council P.C. 3887, of the 12th of October, 1921, a statement of expenditures, and copies of correspondence. This was moved for by the honourable gentleman from Edmonton (Hon. Mr. Griesbach).

The honourable gentleman yesterday referred to another Order in Council which had been asked for, but I find in a letter from the Under-Secretary of State that it was laid on the Table of the House on the 21st of April, 1925. I may as well read the letter, as it may cover some other ground.

I see by the Debates of the Senate for yesterday, the 6th of May, that the Honourable Senator Griesbach complains about two Returns not having been brought down.

One relates to Order in Council P.C. 3887, 12th October, 1921. I may say that the Department understood that some of the information required by this Order could be supplied by the Department of National Defence, and a request for it was made. An answer was not given until this morning when, having telephoned in the matter, the Department of Defence states that it has no information. The return is herewith.

-That is the one I have just filed.

The second relates to a copy of Order in Council P.C. 2378. This return was presented on the 28th of April last.

REPRESENTATION IN THE HOUSE OF COMMONS

ERROR IN TRANSLATION

On the Orders of the Day:

Hon. Mr. BLONDIN: I desire to draw the attention of this honourable House to the motion which appeared on yesterday's Order Paper in the name of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton). In the English version it reads as follows:

That in the opinion of the Senate an humble address should be presented to His Majesty, praying that the British North America Act be amended so as to reduce the representation in the House of Commons to the end that the whole representation in that House be substantially decreased.

. In the French version, in the fourth line, it reads:

-in order that the representation of the Province of Quebec in the House of Commons-

. I think it is only fair that the translation should be corrected, and that the French version should be made to read exactly as the English version does. I would move accordingly. The Hon. the SPEAKER: I may explain for the information of the House that the Clerk drew this matter to my attention this morning and made inquiries about it. He has now informed me that the difference is due to an error on the part of the translator, who got an incorrect copy of the English version and made the translation from it without comparing it with the original. The Clerk will of course see that the correction is made. I do not know that it is necessary for the honourable gentleman to make a motion.

Hon. Mr. DANDURAND: Is the notice still on the Order Paper?

Hon. Mr. LYNCH-STAUNTON: Yes.

Hon. Mr. DANDURAND: I do not suppose a motion is necessary. The notice will appear to-morrow in proper form.

Hon. Mr. BLONDIN: All right.

PRIVATE BILLS

THIRD READINGS

Bill 34, an Act to incorporate the British Consolidated Insurance Corporation, as amended.—Hon. Mr. Griesbach.

Bill 36, an Act to incorporate Guaranty Trust Company of Canada.—Hon. Mr. Mc-Coig.

Bill 35, an Act respecting The Mutual Life Assurance Company of Canada.—Hon. Mr. Green.

DIVORCE BILLS

SECOND READINGS

Bill F3, an Act for the relief of Dorothy Strathy.—Hon. Mr. Pope.

Bill G3, an Act for the relief of Minnie Williams Goldberg.—Hon. Mr. Gordon.

Bill H3, an Act for the relief of Ruth Dorothy Rutenberg.—Hon. W. B. Ross.

Bill I3, an Act for the relief of Charles Arthur Sara.—Hon. W. B. Ross.

Bill J3, an Act for the relief of Frederick George Randall Lacey.—Hon. W. B. Ross.

Bill K3, an Act for the relief of Mollie Weiner.—Hon. Mr. Haydon.

Bill L3, an Act for the relief of Norma Evelyn Stevens Hammond.—Hon. Mr. Haydon.

PUBLICATION OF STATUTES BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 41, an Act respecting the publication of the Statutes.

He said: Honourable gentlemen, this Bill contains a few amendments to Chapter 2 of the Revised Statutes of Canada, 1906. They will be explained in Committee.

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

The Senate adjourned until Tuesday, May 12, at 8 p.m.

THE SENATE

Tuesday, May 12, 1925.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill R3, an Act respecting the Calgary and Fernie Railway Company.-Hon. Mr. Haydon.

Bill W3, an Act to change the name of the Dominion Women's Christian Temperance Union to the Canadian National Women's Christian Temperance Union.-Hon. Mr. Robertson.

DIVORCE BILLS

FIRST READINGS

Bill Q3, an Act for the relief of Lillian Rebecca Mains.-Hon. Mr. Haydon.

Bill S3, an Act for the relief of Elizabeth Ruth Badgley Shaw.-Hon. Mr. Blain.

Bill T3, an Act for the relief of Lillian Helena Caldwell.—Hon. Mr. Blain.

Bill U3, an Act for the relief of Elizabeth Strachan Reid Harvey .-- Hon. Mr. Blain.

Bill V3, an Act for the relief of Esther Charlotte Ancel.—Hon. Mr. Blain.

DEBATES AND REPORTING BRANCH THE RESERVE REPORTER

The Hon. the SPEAKER presented the following communication received by the Clerk of the Senate from the Editor of Debates and Chief of the Reporting Branch:

Ottawa, May 7, 1925.

Dear Mr. Blount: I desire to bring to your attention the position of Mr. Thomas Bengough, of the Debates and Reporting Branch. He has been connected continuously with the Senate Reporting Staff since 1909. From the year 1917, when the present staff was organized, he has had the status of a Reserve Reporter, to be called upon for duty only at times of emergency; but, owing to the great increase of the work, especially in committees, within recent years, his attendance and services have been practically the same as those of the regular reporters. While their salaries are at present \$3,240 per annum, going to a maximum of \$3,360, his remuneration is at the rate of \$2,000. Moreover, while they are on the permanent list, with the advantages of the Superannuation Act, his employment is sessional and $S - 15\frac{1}{2}$

temporary, carrying no legal right to a pension on retirement. I may add that he is invariably faithful and efficient in the performance of his work.

Under the circumstances, I recommend that, beginning with the present Session, his remuneration be increased to \$3,000 per Session, the payments in any one year not to exceed this amount.

Yours very truly,

Albert Horton.

Editor of Debates and Chief of Reporting Branch.

A. E. Blount, Esq., Clerk of the Senate.

On motion of Hon. Smeaton White, the communication was referred to the Standing Committee on Debates and Reporting.

CANTEEN FUNDS BILL

FIRST READING

Bill 32, an Act respecting the disposal of the Canteen Funds.- Hon. Mr. Dandurand.

PUBLIC SERVICE REARRANGEMENTS AND TRANSFERS BILL

FIRST READING

Bill 43 an Act to amend the Act to authorize Rearrangements and Transfers of Duties in the Public Service.-Hon. Mr. Dandurand.

SAINT JOHN AND QUEBEC RAILWAY BILL.

FIRST READING

Bill 110, an Act to authorize an extension of time for the completion of The Saint John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B.-Hon. Mr. Dandurand.

OFFICIAL SOLDIERS' ADVISERS INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. Has the appointment of Official Soldiers' Advisers, as provided for in the legislation of 1923, been a success and are such Official Soldiers' Advisers giving reasonable service and satisfaction to the Government and ex-members of the Canadian Expeditionary Force? 2. To what extent have these Official Soldiers' Advisers, since their appointments, relieved the Dominion Command of the Great War Veterans' Association of the work formerly done by that body with respect to transactions with the Board of Pen-sion Commissioners and the Department of Soldiers' Civil Re-establishment?

Hon. Mr. DANDURAND:

1. Yes.

2. Statistics are not available to show the number of cases which have been the subject of correspondence or discussion between the Department and the Great War Veterans' Association: the Soldiers' Advisers have reported that from October 3rd, 1923, until August 31st, 1924, they dealt with 5,393 appeals and 1,620 other cases; from September 1st, 1924, to March 31st, 1925, they have reported 11,262 interviews and the writing of 18,121 letters: it is to be presumed that the activities of the Soldiers' Advisers have decreased the number of complainants who might otherwise have presented their cases through the G.W.V.A.

LOCKEPORT, N.S., WHARF PROPERTY

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Did the Government acquire by purchase or otherwise since 1921 a wharf property at Lockeport, Nova Scotia?

2. When was it acquired, and from whom?

3. What was the price of the property?

4. Have any repairs or additions been made to the property since it was acquired?

5. If repairs or additions were made, when were they made and what was the cost of the same?

Hon. Mr. DANDURAND:

1. Yes.

2. September 7th, 1922, from F. W. Sutherland.

3. \$4,200.00.

4. Yes.

5. (a) During fiscal year 1923-24 (b) \$5,-866.63.

DISABLEMENT FUND LOAN

MOTION FOR RETURN

Hon. Mr. GRIESBACH moved:

That an Order of the Senate do issue for a return to include:—

(a) Copy of the memorandum submitted by C. G. MacNeil, Dominion Secretary-Treasurer of the Great War Veterans' Association of Canada to the Honourable the Minister of Soldiers' Civil Re-Establishment and referred to in a letter of June 10th, 1924, from C. G. MacNeil aforesaid, to E. H. Scammell, Assistant Deputy Minister, Department of Soldiers' Civil Re-Establishment.

(b) A copy of an itemized statement of the expenditure of a loan of \$15,000 from the Disablement Fund made under P.C. 1596 of 1924 to the Dominion Veterans' Alliance, such itemized statement being referred to in a letter dated January 5th, 1925, from E. H. Scammell, Assistant Deputy Minister, D.S.C.R., to C. G. MacNeil, Secretary, Dominion Veterans' Alliance.

(c) If the full amount has not been expended by whoever received the said sum, then an itemized statement of such portion as has been expended in accordance with the letter from E. H. Scammell, Deputy Minister of S.C.R., to C. G. MacNeil, Chairman. Dominion Veterans' Alliance, dated October 2nd, 1924.

The motion was agreed to.

The Hon. the SPEAKER.

PENSIONS INQUIRY—PAYMENTS TO G.W.V.A.

MOTION FOR RETURN

Hon. Mr. GRIESBACH moved:

That an Order of the Senate do issue for a statement showing:-

(a) The amounts of money paid by the Government to C. G. MacNeil or the Great War Veterans' Association in connection with the enquiry of the Royal Commission on pensions and re-establishment.

(b) For a statement showing amounts of money paid by the Government to Mr. Bowler, barrister. of Winnpeg, for legal, or other charges, in connection with the enquiry of the Royal Commission on pensions and re-establishment.

(c) Showing authority for such payments, for what purposes, and the dates when the same were made.

The motion was agreed to.

PAYMENTS TO "THE VETERAN" MOTION FOR RETURN

Hon. Mr. GRIESBACH moved:

That an Order of the Senate do issue for a statement showing:-

(a) The amounts of money paid by the Government to a magazine or similar publication called the "Veteran."

(b) The purpose or reasons for which such payments were made.

(c) The authority therefor. For reference, see report of the Auditor General 1922-23, Section YY, pages 190 to 193.

The motion was agreed to.

BONUSES TO QUEBEC ARSENAL EM-PLOYEES

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That on Order of the Senate do issue for a return to include all correspondence, documents, orders in council and other papers referring to bonuses paid during the late war to employees of the Quebec Dominion Arsenal, and statement of the method by which such bonuses were arrived at, and how much of said bonuses, if any, remain unpaid.

The motion was agreed to.

THE LATE COLONEL CHAMBERS, GEN-TLEMAN USHER OF THE BLACK ROD

TRIBUTES TO HIS MEMORY

Hon. Mr. DANDURAND: Honourable gentlemen, we deplore the sudden departure of Colonel Chambers, Gentleman Usher of the Black Rod.

Those among us who have been some years in contact with Colonel Chambers will feel that they have lost a personal, an intimate friend. For he was kindliness itself, always ready to serve, always desirous to be helpful and to please. He will be missed greatly. He was a cultured gentleman, with chauming manners.

He followed two avocations with equal zeal. He was during all his life a soldier and a writer. In both callings he was serving the nation. His sense of duty was always keen. He was painstaking in the discharge of his various duties, and always thorough.

His natural inclination for the army was early in evidence. At the age of 14 he commanded the Montreal High School Cadet Rifles. He joined the Militia, and was always an active member. He took part in the Northwest campaign of 1885.

Since 1904 he has served the state as one of the chief officers of Parliament. During the Sessions we have had daily contact with him, and constant opportunity to appreciate his lovable qualities. The Government on many occasions utilized his services as official representative, because of his dignity, his tact, his knowledge of men, and his affability.

I desire to express to Mrs. Chambers and her family our deep and heartfelt sympathy in their great bereavement.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, we were all startled this morning when we took up the morning paper and saw recorded the death of our highly esteemed friend, Colonel Chambers, Black Rod, of the Senate. He was in his place at the last sitting of this Chamber, attending to the duties which he had so well performed for the past 21 years; and doubtless he looked forward to giving several years more of service not only to the Parliament of Canada but to the nation.

I have always been proud to call Colonel Chambers my friend. I knew him most intimately, having for about 35 years been more or less closely associated with him. In his earlier years he was indentified with the Press of the Northwest Territories. As my honourable friend has said, he fought in the second Riel Rebellion in 1885, under General Middleton, and then returned to his native city, Montreal. He was afterwards secured as the editor of what is now known as the Calgary Herald, a very influential paper, and he came to the city in which I live for the purpose of editing that paper. He served the community The ability which he brought to bear well. in editing that paper reflected the highest journalistic qualities. He in time returned to Montreal, having secured more favourable employment, and was afterwards engaged on the leading newspapers of that city.

I know of no man in my list of acquaintances who possessed so many charming qualities and such a gracious personality as the late Colonel Chambers. One cannot think of a quality that would appeal to human nature that was not present in his character. His friends were legion; I never heard of his having an enemy, or of his uttering a harsh word to a fellow-being.

He was one of the most industrious men within the range of my acquaintance. As has been pointed out by my honourable friend, he was not only a journalist, but he was a writer of many books, and his contributions to the national history of our country are many and valuable. He was the Secretary of the Empire Parliamentary Association, and did more than any one man in Canada to cement the ties between this country and Great Britain in connection with that organization. He took the deepest interest in military work. Not only did he serve in the second Riel Rebellion, but from that time down to the present he was a prolific writer on military subjects, and was identified very closely with all the important military work of this Dominion. We all know that he was the Chief Censor for the Government during the Great War, and in that capacity he rendered most valuable service to Canada.

He performed the duties of his office as Black Rod of the Parliament of Canada in such a manner that it is not reflecting on his predecessors when I say that no man could have rendered more valuable service in that office than was performed by Colonel Chambers. No man in Canada had such a knowledge of parliamentary precedent, parliamentary lore and tradition, and all of the functions and pageantry of Parliament. The Parliament of Canada as well as the Government relied on Colonel Chambers as an authority on all those important matters.

His death was so startingly sudden as to be almost tragic. Knowing him intimately, as I did, I believe that he was unaware that he stood so near the threshold of death. We all join in the sentiments which have been expressed by the honourable leader of the House, and extend to his widow and children the deepest sympathy of the Senate. Canada, and the Parliament of Canada particularly, will be the poorer because of his death.

PRIVATE BILLS

THIRD READINGS

Bill 17, an Act respecting the Alberta Railway and Irrigation Company.—Hon. Mr. De Veber.

Bill 18, an Act respecting The Manitoba and North Western Railway Company of Canada.—Hon. Mr. Watson.

Bill F, an Act respecting the Essex Terminal Railway Company.-Hon. Mr. McCoig.

Bill 21, an Act respecting the Marconi Wireless Telegraph Company of Canada, Limited.—Hon. Mr. Haydon. Bill 39, an Act respecting Joliette and Northern Railway Company.—Hon. Mr. Gordon.

SECOND READING

Bill 42, an Act to amend the Toronto Harbour Commissioners Act, 1911.—Hon. Mr. Macdonell.

DIVORCE BILLS

THIRD READINGS

Bill F3, an Act for the relief of Dorothy Strathy.—Hon. Mr. Pope.

Bill G3, an Act for the relief of Minnie Williams Goldberg.—Hon. Mr. Gordon.

Bill H3, an Act for the relief of Ruth Dorothy Rutenberg.—Hon. Mr. Ross (Middleton).

Bill I3, an Act for the relief of Charles Arthur Sara.—Hon. Mr. Ross (Middleton).

Bill J3, an Act for the relief of Frederick George Randall Lacey.—Hon. Mr. Ross (Middleton).

Bill K3, an Act for the relief of Mollie Weiner.—Hon. Mr. Haydon.

Bill L3, an Act for the relief of Norma Evelyn Stevens Hammond.—Hon. Mr. Haydon.

SECOND READINGS

Bill M3, an Act for the relief of Lillian Yaffe.—Hon. Mr. Green.

Bill N3, an Act for the relief of Charles William Dickinson.—Hon, Mr. Green.

Bill O3, an Act for the relief of Charles Murray Cramsie.—Hon. Mr. Blain.

Bill P3, an Act for the relief of Frederick William Mallyon.—Hon. Mr. Schaffner.

HIGHWAYS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 68, an Act to extend the period of the Canada Highways Act.

He said: Honourable gentlemen, there is but one clause to this Bill, outside of the name. It says:

The time within which the various Provinces of Canada may earn and be paid the sums allotted to the said Provinces under the provisions of The Canada Highways Act, chapter fifty-four of the statutes of 1919, as extended by chapter four of the statutes of 1923, is hereby extended for a further period of two years.

It may be of interest to honourable members of this Chamber to know the Provinces that have earned the full amount of their appropriations under the Highways Act. They are New Brunswick, Nova Scotia, British Columbia, and Ontario. In the case of Ontario, \$300,000 is held back to ensure completion of three specific contracts.

The following Provinces will require additional road-making seasons to earn their full allotment: Saskatchewan, three roadmaking seasons, including this year; Manitoba, two road-making seasons, including this year; Prince Edward Island, two road-making seasons, including this year; Alberta, three road-making seasons, including this year. Quebec should complete its work this year. I will place upon Hansard the summary of projects under agreement between the Dominion Government and the various provinces as of the 28th of February, 1925: SUMMARY OF PROJECTS UNDER AGREEMENT BETWEEN THE DOMINION GOVERNMENT AND VARIOUS PROVINCES AT FEBRUARY 28, 1925

	Total Average estimated cost per under- ment ment agree-ment	ge 40% ted estimated er cost under agreement tee-	Total cost of work under agree- ment to Dec. 31, 1924	40% of this total cost to Dec. 31, 1924	Amount of Federal aid Province to Dec. 31, 1924	Amount of Federal aid, Province entitled to	Amount of Fe- deral aid paid to Province as at Feb. 28, 1925	Amount of Fe- deral aid still to be paid to Province	Amount of Fe- deral aid yet to be placed under agree- ment	Mileage under agree- ment com- pleted Dec. 31, 1924	Mileage under agree- ment but not com- pleted
	cts. \$ 0	cts. \$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.		
P. E. Island 697-93 1,508,637	,637 50 2,198	50 603,455 00	1,385,968 61	554,387 45	554,387 45	603,455 00	408,273 69	195,181 31		670.5	27.43
Nova Scotia 474.78 3,671,800	,800 00 7,850	52 1,468,720 00	3,997,298 32	1,598,919 33	1,468,720 00	1,468,720 00	1,461,477 99	7,242 01		474.78	
New Brunswick 1237.2 2,909,612	,612 50 2,384	90 1,163,845 00	3,166,938 26	1,266,775 30	1,163,845 00	1,163,845 00	1,163,845 00			350.0	887.2
Quebec 1005-16 11,775,279	,279 49 11,714	83 4,710,111 79	12,099,303 43	4,839,721 37	4,748,420 00	4,748,420 00	4,107,929 39	*640,490 61		954.66	50.5
Ontario	,577 13 21,547	74 5,497,430 86	15,218,785 82	6,087,514 33	5,877,275 00	5,877,275 00	5,592,334 31	*284,940 69		564.88	72.94
Manitoba 1455-01 3,812,201	,201 35 2,620,	,05 1,524,880 54	3,289,880 66	1,315,952 26	1,313,632 84	1,602,265,00	1,153,940 40	*448,324 60	77,384 46	958.2	496.81
Saskatchewan 1759.42 4,356,666	,666 02 2,476	20 1,742,666 41	3,685,664 40	1,474,265 76	1,474,265 76	1,806,255 00	1,434,484 11	371,770 89	89 163,588 59	1551.0	208.42
Alberta 466.0 1,655,400	,400 00 3,552	36 662,160 00	536,932 67	214,773 07	210,585 93	1,477,810 00	210,585 93 1	1,267,224 07 815,650	815,650 00	177.0	289.0
British Colubraia. 368-75 3,129,887	,887 53 8,680	70 1,251,955 00	3,224,144 23	1,289,657 69	1,251,955 00	1,251,955 00	1,251,955 00			263.71	105.04
Totals	,061 52 5,747 05	05 18,625,224 60	46,604,916 40	18,641,966 56	19,063,086 98	20,000,000 00	16,784,825 82 3,215,174 18 956,623 05	3,215,174 18	956,623 05	5964.73	2137.34
Ontario has practically earned the whole of its appropriation, although some money-about \$300,000.00-is to be for the completion of two or three specific contracts.	the whole of it	s appropriation, al	though some m	oney-about \$3	00,000.00-is to	be for the com	pletion of two o	or three spec	ific contract		- Contraction

MAY 12, 1925

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I have also the statement showing the details of expenditure by the Canada High- to January 1, 1925:

Items	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25 (to Jan. 31, 1925)	Total
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ vets.	\$ cts.	\$ ets.
Salaries. Travelling expenses. Telegraph, Telephone and Ex-	$ \begin{array}{c} 6,253 & 54 \\ 2,029 & 75 \end{array} $	15,118 10 1,674 38		46,278 43 6,956 87		26,473 $454,441$ 76	175,572 51 30,763 48
General Expenses		235 52	519 87	2,829 16		183 11	3,035 52 5,487 22 5,671 56
Departmental Cars Printing and Stationery			4,755 65	889 31	2,764 23	2,900 00	$11,309 19 \\9,864 47$
TOTALS	8,788 98	18,625 58	51,055 28	59,259 79	66,239 40	37,734 92	241,703 95

Cost of Administration, about 11 per cent.

The following is an approximation of the expenditure in 1924 on uncompleted projects in Ontario, under the Canada Highways Act, as given by the engineer:

Project No. 4.-Kingston to Brockville, \$16,545.20, percentage of work done, 84.

Project No. 5.-Brockville to Prescott, \$23,804.90, percentage of work done, 74.

Project No. 6.—Prescott to Ottawa, \$58,000.00, percentage of work done, 68.

Project No. 33.-Ottawa to Pt. Fortune, \$120,000.00, percentage of work done, 54.

This expenditure is now being audited. 40 per cent of these amounts will be payable under Act.

I move the second reading of the Bill.

Hon. Mr. REID: I would like to ask the Leader of the Government if it is the intention of the Government to continue further aid for highways to the several provinces apart from what is contained in the Bill now before the House?

Hon. Mr. DANDURAND: I am not aware of any such expression of policy. All that I know is what we are now doing—extending aid for the completion of the works under the original grant. I will inquire whether any policy of further expenditure has been determined upon or expressed.

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

PENSION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 70, an Act to amend the Pension Act.

He said: Honourable gentlemen will remember that towards the end of last Session a Bill containing certain amendments to the Pension Act came to this Chamber. Some

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parts of the Bill were accepted by this Chamber, and, if my recollection does not fail me, the balance was postponed for further consideration if it should come to us in the next Session. I understand that practically the same clauses which were suspended last Session have been embodied in the Bill which I now have the honour of presenting for second reading. There are one or two slight variations of minor consequence which I will indicate in Committee. I believe that the origin of the Bill of this Session is the same as the one of last year-that it is based upon the report of a committee of the House of Commons that sat upon it nearly the whole Session.

This Bill now comes to us. I need not dilate upon its various aspects on the motion for the second reading, because we will examine the various clauses minutely when they come before the Committee of the Whole House. If further explanation is sought by honourable gentlemen of this Chamber at this stage I will have to go into it, but I shall content myself for the moment with moving the second reading of the Bill.

Hon. Sir JAMES LOUGHEED: With the understanding that it goes to the Committee.

Hon. Mr. DANDURAND: Last year I thought it opportune that the Bill should be examined before a select committee. I am not wedded to the form which the committee should take—whether it should be a standing committee or a special committee; I am ready to listen to the voice of the Senate on that question; but I believe that the Bill should be sent to a committee, where we could have the advice of technical experts.

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Hon. Mr. GRIESBACH: As the Leader of the Government has said, the Bill before us contains a large number of clauses which were rejected last year under circumstances familiar to all the members of the House, having reached us in the last twenty-four hours of the Session. In the present Bill, however, there are some new and interesting clauses which, in my judgment, might after consideration be improved and amended. I propose to move, therefore, that the Bill be referred to a special committee of the House.

I would draw the attention of the House to the fact that we shall shortly have before us another Bill dealing with ex-service men's affairs—the Canteen Bill, disposing of the Canteen Fund. Many honourable gentlemen have received telegrams and other communications from representatives of ex-service men's organizations, making certain representations in regard to the Bill, and asking that they be heard to the Bill, and asking that they be heard is by a special committee of the House, and I take it that if a special committee were appointed to deal with the Pension Bill, in due course the Canteen Bill- could also be submitted to that committee.

The House and the country have become aware of certain disquieting rumours and statements in connection with funds held by the Government in trust for ex-service men: therefore, in drafting my resolution, I have made provision to cover the points I have just mentioned. The resolution reads:

That Bill 70, an Act to amend the Pension Act, be referred to a Special Committee composed of the Hon. Messrs. Beleourt; Black, Dandurand, Laird, Lougheed, Macdonell, Pardee, Robinson, Ross (Moose Jaw), Sharp. Turgeon, and the mover, and that the said Committee be empowered to inquire into all matters concerning the Canteen Fund and the Disablement Fund, with power to send for persons and papers, and to examine witnesses under oath.

The Hon. the SPEAKER: Before this motion is put to the House, the House should first pass the second reading of the Bill.

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

Hon. Mr. GRIESBACH: I now move my motion.

Hon. Mr. DANDURAND: I may say that I am somewhat hazy as to the form of this motion. I can see no objection to the first part of the motion, which has to do with the reference of the Bill to a Special Committee; but the honourable gentleman goes one step further, and asks that the Canteen Fund and the Disablement Fund also be referred to the committee.

Hon. Mr. BEIQUE: Is the Bill before the House?

Hon. Mr. DANDURAND: The honourable gentleman has not mentioned a Bill. He has mentioned the Fund. Of course, there is a Bill concerning the Canteen Fund which has just reached this Chamber and been read a first time, and which has been put down for second reading on Thursday. Would it not be more regular for my honourable friend to await that Bill on Thursday, and when it has passed its second reading, then to ask that it be referred to the same committee?

Hon. Mr. GRIESBACH: The resolution provides for the reference of the Pension Bill to the committee, and, as my honourable friend suggests, it goes further and provides for a reference to the same committee of the Canteen Fund and the Disablement Fund. The Canteen Fund there referred to is not to be confused with the Bill which disposes of the Canteen Fund. The Bill disposing of the Canteen Fund is one thing, but the history of the Canteen Fund is another.

The Canteen Fund has been in the hands of the Government for some five or six years, and during that time interest has accumulated and certain sums have been taken out of the Fund, and it is with respect to that withdrawal of funds that I desire the inquiries to take place. When the second reading is reached of the Bill which proposes to dispose of such funds as now remain in the hands of the Government, as distinct from all the funds, it may be dealt with by the House as it sees fit; but the mere fact that the same words are used in describing the Canteen Fund should not mislead the House as to the Bill being one thing and the Canteen Fund another.

Hon. Mr. BEIQUE: Honourable gentlemen, I have no objection to the purpose of the motion being attained, but I do not think it is in order to refer in this way a matter connected with another Bill which is on the Order Paper of the House. We would be liable to have two different reports, one by the Committee to which the present Bill is referred, and another on the Bill relating to the Fund. I think the honourable member should accept the suggestion of the honourable leader of the House and drop the latter part of his motion. He can attain his purpose in a day or two. When the other Bill is read the second time, it may be referred to the same Committee.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I think my honourable friend would probably be well advised to confine his motion to the specific object of the Bill now before the House. I confess that, for myself, I do not know enough about the general canteen situation to justify me

in making up my mind whether or not I would like to have it referred to this Committee or any Committee. My honourable friend is asking for a decision in which I, for instance, and others, might be perfectly willing to concur as to the first part, but not as to the second. There are two distinct subjects; consequently he does not obtain the opinion of the Senate. What we have before us we understand, and we can make up our minds whether that shall go to a Com-As to what we have not mittee or not. before us and have not discussed here, it is difficult to make up one's mind whether it should be sent to this Special Committee or any other Committee. Later, if my honourable friend informs the Senate what it is that he thinks ought to be inquired into, we can decide whether we ought to send it to that Committee or to some other. I think that is the straightest way to deal with the matter.

Hon. Mr. GRIESBACH: I have no objection. But apparently I have failed to make myself clear. If no Canteen Fund Bill ever came before the House at all, or if such a Bill were withdrawn at this moment, there would still remain for investigation the Canteen Fund. The Canteen Fund, which I am asking to have investigated, does not depend at all upon the Canteen Fund Bill. However, I will not labour that point.

In the second part of the motion there is reference to the Disablement Fund, which is on all fours with the Canteen Fund. I am willing to withdraw the latter portion of the motion, reserving to myself, however, the right to move reference of the Canteen Fund to the same Committee—

Right Hon. Sir GEORGE E. FOSTER: Certainly.

Hon. Mr. GRIESBACH: —and to add thereto the words that I have omitted here in the meantime. They may be clearer to the House then.

Hon. Mr. DANDURAND: I would ask my honourable friend to consider the propriety of giving notice that he will move for a Committee on the Canteen Fund and the Disablement Fund, because if he simply asks now for such a reference, he may not attain his object; or he may be blocked by a point of order. There is no motion before the House covering these two matters, inquiry into the Canteen Fund, and inquiry into the Disablement Fund. If the Canteen Fund Bill is referred to a Committee—say, the same Committee—the honourable gentleman will have the right to enter into the whole matter from the inception of the fund. I wonder if he

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would not be on more solid ground if he gave notice of his two motions, upon which we could adjudicate, say, next Thursday, when we deal with the second Bill. His two motions could then be adopted and those matters referred to the same Committee. At all events we may proceed. The honourable gentleman declares that he is dropping the second part of his motion.

The Hon. the SPEAKER: Honourable gentlemen, is it the pleasure of the House that the honourable gentleman be allowed to amend his motion by striking out the words in the latter part of it:

And that the said Committee be empowered to inquire into all matters concerning the Canteen Fund and the Disablement Fund, with power to send for persons, papers and records and to examine witnesses upon oath.

That part of the motion would be dropped.

Hon. Mr. CASGRAIN: Yes, for the time being.

The Hon. the SPEAKER: The motion then would read:

That Bill number 70, entitled an Act to amend the Pension Act, be referred to a Special Committee composed of Hon. Messrs. Belcourt, Black, Dandurand, Griesbach, Laird, Lougheed (Sir James), Macdonnell, Pardee, Robinson, Ross (Moose Jaw), Sharp and Turgeon.

Hon. Mr GRIESBACH: But there would be kept in the motion that other portion.

The Hon. the SPEAKER: "With power to send for persons, papers and records, and to examine witnesses upon oath"—is it the desire of the House that those words should be in the motion?

The motion as amended was agreed to.

GOVERNMENT ANNUITIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 71, an Act to amend the Government Annuities Act, 1908.

He said: Honourable gentlemen, the Annuities Act was passed in order to promote habits of thrift and to afford the facilities whereby people resident or domiciled in Canada might make provision for old age by the purchase of annuities. It had been pointed out that 95 per cent of people over the age of 70 were dependent for support on their daily earnings or the assistance of others, and it was to anticipate such a condition of affairs in the future in Canada that the Act was placed upon the Statute book. Any one over the age of 5 years may take advantage of it. The minimum and maximum amount of annuity purchasable was originally fixed at respectively \$50 and \$600; in 1913-14 Parliament increased the maximum to \$1.000; and again in 1920-21 to \$5,000, it having been considered that this amount was not too large, having regard to the rapid advance in the cost of living. The object of the present Bill is to reduce the minimum amount purchaseable from \$50 to \$10 in order that employers of labour may purchase for their employees, or assist them in doing so, by a single premium. what is known as Cumulative Annuities to begin at some future age. For example, a man beginning at 20 and buying an annuity of \$10 each year would find himself at 50 with an assured income of \$300 a year, to begin at 65. Some employers are in the habit of giving their employees cash bonuses for special services, and an annuity policy would preclude the danger of such a bonus being frittered away. Under the plan described the employee would have tangible evidence from year to year of the annuity he would receive. Each transaction would be complete in itself, and he would be encouraged to increase his hold-If the employee were to assist in the ing purchase, his contribution could be made by weekly deductions from his pay cheque, and when the sum required to be paid by him had been accumulated it could be forwarded to the Department by the employer. An interim certificate to the credit of the employee could issue, and after a certain number of these had been secured they could be consolidated in one contract for more convenient preservation. On the ground that those things are most cherished which involve some personal sacrifice, the co-operative system is the one which should commend itself to the employee and the employer.

The Act was for the first three years of its existence (from September, 1908, to December, 1912) administered under the direction of Sir Richard Cartwright, the father of the Act; in December, 1912, it was transferred to the Post Office Department; and in May, 1922, to the Department of Labour, under the direction of the Hon. Mr. Murdock. When the Bill was introduced in the Commons by Hon. Mr. Fielding he pointed out that the Annuities Plan was not to be confused with an old age pension scheme, which, as commonly understood, implies a contribution wholly or largely from the public treasury, and that no benefits under the Annuities Act would be obtainable except by purchase. The rate of interest allowed on payments made has been from the beginning 4 per cent compounded. This rate was at the time of the commencement of the Act perhaps somewhat larger than was the rate at which the Government could obtain money in the open market. Up to the end of March, 1925, 6,539 persons had become purchasers of annuities averaging in amount \$285. Of these 3,780 were males and 2,759 were females. These annuitants were distributed as follows:

Ontario	. 3,316
Quebec	
British Columbia	
Nova Scotia	. 360
New Brunswick	. 343
Alberta	. 256
Manitoba	. 236
Saskatchewan	
Yukon	. 25
Prince Edward Island	. 22

The total amount received in purchase money from September, 1908, to 31st March, 1925. was \$9,754,299.42.

Right Hon. Sir GEORGE E. FOSTER: What is the present rate? Four per cent?

Hon. Mr. DANDURAND: The rate of interest allowed on payments made has been from the beginning 4 per cent, compounded.

Right Hon. Sir GEORGE E. FOSTER: Is that compounded annually or semi-annually?

Hon. Mr. DANDURAND: I have not that information, but I will get it before we reach the committee stage.

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

PUBLICATION OF STATUTES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 41, an Act'respecting the Publication of the Statutes.

Hon. Mr. Robinson in the Chair.

On section 1-short title:

Hon. Mr. DANDURAND: The object of this Statute is implied in its title and determines the manner in which the Statutes enacted from year to year by the Dominion Parliament shall be prepared for printing and shall be printed and bound, and how the copies of the Statutes, both singly and collectively, shall be distributed.

The principal reason for the present Bill is that a revision of the Statutes is now in progress and the sections of the Statute now existing, and determining the manner in which the Acts of Parliament shall be printed and bound, are couched in terms not now in common usuage and not precisely in accordance with the practice which has been pursued for many years. The changes bearing on these points and indicated in sections 10 and 11 of the present Bill are the outcome of a conference between the King's Printer and the former Deputy Minister of Justice, now the Honourable Mr. Justice Newcombe, of the Supreme Court of Canada, and at the time a member of the Commission for the Revision of the Statutes.

It has been thought desirable that in making this very necessary amendment to the Statute advantage should be taken of the opportunity to revise the Act generally, thus bringing it into conformity with existing conditions and practices as to the printing, binding and distribution of the Statutes, and the ground for each of these minor changes is indicated in the notes appearing on each right hand page.

The appropriation, part of Vote 46—Printing, Binding and Distribution the Annual Statutes—\$16,000, page 16 of the Estimates, 1925-26, under the head of Legislation, is in effect administered under the authority of the Minister charged with the administration of the Department of Public Printing and Stationery.

Until the year 1920 this Department was administered under the authority of the Secretary of State. In that year the Department was transferred to the jurisdiction of the Minister of Labour. This change in administration necessitates a number of minor variations in the terms of the Statute, and it has been thought desirable to insert a new section (section 2) bearing on this point.

Consultation with the Department of Justice resulted in the present measure being drafted as a new and complete Statute rather than as an amendment to the existing Statute, and the present draft has had the approval of the Department of Justice.

Section 1 was agreed to.

Section 2 was agreed to.

Hon. Mr. DANDURAND: There is no change in sections 3, 4, 5 and 6, except in numbering.

Sections 3, 4, 5 and 6 were agreed to.

On section 7—certified copies of Acts to be furnished on application; fees thereon:

Right Hon. Sir GEORGE E. FOSTER: Is there a change in clause 7?

Hon. Mr. DANDURAND: There is a suggestion that it should be enacted where that money shall go.

The Clerk of the Parliaments shall before delivering it, receive a fee of two dollars, in addition to the cost of the printed copy.

Hon. Mr. DANDURAND.

The Clerk of the Senate, who is the Clerk of the Parliaments, thought that there should be inserted the words, "for the Receiver General." Of course, it is to the Receiver General that the money goes.

Hon. Sir JAMES LOUGHEED: Who is "the Clerk of the Parliaments"?

Hon. Mr. DANDURAND: Mr. Blount.

Hon. Mr. BELCOURT: The Clerk of the Senate.

Hon. Sir JAMES LOUGHEED: Is he so designated by statute?

Hon. Mr. BELCOURT: I cannot tell, but I know that whenever a certified copy of an Act of Parliament has been required in the past, the official to issue the certified copy has been the Clerk of the Senate. That has been the practice, but I cannot say what is the authority.

Hon. Mr. DANDURAND: It is by statute that the Clerk of the Senate is made the Clerk of the Parliaments. However, we will leave this clause as it is.

Section 7 was agreed to.

Sections 8 and 9 were agreed to.

On section 10—Acts to be printed in two separate parts; what each shall contain; printing, binding, and distribution:

Hon. Mr. DANDURAND: In paragraph a of section 10 there is a slight alteration. In the existing Act, it reads:

(a) The members of the two Houses of Parliament respectively, who shall each be entitled to receive such number of copies as is, from time to time, directed by joint resolution of the said Houses, or, in default of such resolution, as is directed by the Governor in Council.

Under the proposed amendment the distribution would be directed by the Governor in Council only.

Hon. W. B. ROSS: Why should that change be made at all? Is the present method not satisfactory?

Hon. Mr. DANDURAND: The reason given me was that it had been done by Order in Council, and that the joint Houses of Parliament had not dealt with the matter.

Hon. W. B. ROSS: They have never exercised their right?

Hon. Mr. DANDURAND: The phrase that is struck out is:

As is, from time to time, directed by joint resolution of said Houses, or in default of such resolution.

Then, it will be as directed by the Governor in Council. Hon. Sir JAMES LOUGHEED: Hereafter it will not require the other authority?

Hon. Mr. DANDURAND: No; it will be the Governor in Council only. Of course, I do not know how many copies each member of Parliament is entitled to. My impression is that we receive one copy, either in French or English, or perhaps two.

Right Hon. Sir GEORGE E. FOSTER: I have never received more than one. That has been the practice, I think.

Hon. SMEATON WHITE: At the special meeting on Thursday of the Joint Committee on Printing we will have this question up, in connection with the distribution of Senate and House of Commons Hansards, etc. We cannot find out who makes the rules. Has the Joint Committee authority to make rules on printing, or is it, as it says here, the Governor in Council? Would that be the Minister, or by whom are the rules made? We want to find that out.

Hon. Mr. DANDURAND: I felt it my duty to indicate to the Senate the amendments that were being made.

Hon. Sir JAMES LOUGHEED: That is not unreasonable.

Hon. Mr. DANDURAND: I would draw attention to the fact that the clause as it stood stated that the members of the two Houses of Parliament were to be entitled to receive such number of copies as were directed from time to time by joint resolution of the said Houses, or, in default of such resolution, as directed by the Governor in Council. If we pass section 10 we strike out the words: As is, from time to time, directed by joint reso-

As is, from time to time, directed by joint resolution of said Houses, or, in default of such resolution.

That is to say, we strike out the reference to a joint resolution, and I do not know if it is the Printing Committee who would deal with the matter. I suppose it should be, but we abolish that right of both Houses of Parliament to say what number of copies of the Statutes would be distributed to each member, and we leave it absolutely to be dealt with by Order in Council.

Hon. Mr. BELCOURT: I suppose there are two reasons for the change; first, it is made for the sake of uniformity, the Governor in Council, under paragraph a, being given the power of determining the number of copies to be issued to members, just as in paragraph b the Governor in Council directs the distribution to public departments, etc. I should think it is rather a cumbersome matter to have from time to time, or each year, according to the wording of the old section, a joint resolution of the two Houses to determine how many copies of the Statutes should be distributed yearly.

Hon. Sir JAMES LOUGHEED: It is invariably done by the Printing Committee; it is embodied in their report.

Hon. Mr. BELCOURT: It was done in that way because the Statute required it. It said it might be by joint resolution of the said Houses. That is now being done away with, and I am suggesting that it is for the sake of uniformity, and in order to get rid of the cumbersome plan of having a joint resolution passed each year. Now we leave it in the hands of the Governor in Council to make the lists that will cover the whole ground.

Hon. Mr. DANDURAND: Of course, after this change is made Parliament could always complain to the Government, and ask for a larger distribution.

Hon. Sir JAMES LOUGHEED: Has this resulted in any confusion?

Hon. Mr. POPE: Has there been any fault found with the Government in connection with it?

Hon. Mr. DANDURAND: I do not know the history of it. I would call on the older members of the House who were on the Committee to say if they ever exercised that right. Perhaps it was thought that as we were not utilizing that privilege, it should be left to the Governor in Council, in accordance with other sections.

Right Hon. Sir GEORGE E. FOSTER: There is a little doubt in my mind as to how far this would go. As I understand it, this has reference to the Statutes of Parliament as they are passed, and their distribution?

Hon. Mr. DANDURAND: Yes.

Right Hon. Sir GEORGE E. FOSTER: Under the old form that was done, or was supposed to be done, by a resolution of both Houses. Everything was brought into the open, and both Houses knew exactly the number of copies that would be distributed; when the resolution was made the whole question could be debated as to how many copies of the Statutes should be sent to each member. Now the proposal is to do away with that method. I was on the Printing Committee in olden times, and my impression is that that Committee never had the power, or never took the power, of saying how many

copies of the Statutes should be distributed; neither do I remember of joint resolutions opposing anything that may have been done. Now the Council, that is, the Government, may decide the number of copies to be distributed; but if I, as one member, make application for two or more copies, will they have the right to distribute to me half a dozen copies, if I so request, and if they think I ought to have them? If that were the case, we would have a very irregular system. I presume what is aimed at by this amendment is that every member of Parliament should receive exactly the same number of copies; consequently there will be no differ-ence between them. It might become a very expensive matter if the Government would give the copies away. The copies of Statutes are very fine things for lawyers, magistrates, and others who are semi-judicial in their habits of thought, but the proposed method of distribution seems to me a little loose.

Hon. Mr. DANDURAND: I think there is a clause providing for payment by the public for extra copies.

Right Hon. Sir GEORGE E. FOSTER: Yes, but that payment comes in after the copies have been distributed, and the hands of Parliament would be tied.

Hon. Mr. ROBERTSON: Might I suggest to my honourable friend that as the Chairman of the Joint Committee on Printing (Hon. R. S. White) has announced that there is to be a special meeting of that Committee on Thursday, it might be well to let this clause stand so that that Committee might consider whether the proposal invaded their prerogatives or not. I agree with the remarks of the right honourable member from Ottawa (Right Hon. Sir George E. Foster) that there is an opportunity for an abuse under this amendment. While it might never occur, why should we make it possible? I have no doubt the Chairman of the Joint Committee on Printing will bring this matter to their attention on Thursday next, and then we might have a discussion on the subject which would be helpful to the House.

Hon. Mr. BEIQUE: There is no change in paragraph b; the change is merely in paragraph a, relating to the distribution of copies to members of Parliament—one copy, or more than one, according to the decision of the Governor in Council. Paragraph b deals with the public departments, administrative bodies and officials.

Hon. Mr. DANDURAND: I have no objection to suspend this clause until next week, Hon. Sir GEORGE FOSTER. but I draw the attention of my honourable friend to the wording of the Act as it now stands:

As is, from time to time, directed by joint resolution of the said Houses.

Hon. SMEATON WHITE: That would be the Joint Committee on Printing who would make the joint resolution.

Hon. Mr. DANDURAND: Well, we may proceed with the other clauses, and leave that one in suspense.

Paragraph a stands.

Paragraph b was agreed to.

On section 11—how statutes shall be printed and bound:

Hon. Mr. DANIEL: Does this section as read require the printing of copies to be in the same style and condition as the present copies, or is there any change?

Hon. Mr. DANDURAND: The remarks on this section are:

The section in the existing Statute reads as follows:

14. The Statutes shall be printed in royal octavo form, on fine paper, in small pica type, thirty-two ems by fifty-five ems, etc.

It is now proposed to substitute the following words after paper:

In eleven point type, not more than four and three-quarter inches by eight and one-half inches deep.

This is some Greek to me. The memorandum which I have on this says that the proposed amendment discards obsolete printers' phraseology, and substitutes modern trade terms. It will be for the gentlemen connected with that business to say if these expressions are the modern ones which are used in the new section 11. I presume they are.

Hon. Mr. BELCOURT: Perhaps the honourable gentleman from Montreal would tell us what difference this will make in the present mode of printing. Will these new terms in section 11 require a different mode of printing, and, if so, in what way? I do not know anything about 11-point type.

Hon. SMEATON WHITE: No, I do not think it will make any difference. In one case the type is called pica, and in the other it is called 11-point type. All type is "point" now, whereas the size used is to be known by name. The change in phraseology refers to the size of type.

Hon. Mr. BELCOURT: Is it the same thing in other words?

Hon. SMEATON WHITE: Yes, I would say so.

Section 11 was agreed to.

On section 12-as to Bills assented to during a Session .

Hon. Mr. DANDURAND: The words "Secretary of State" are replaced by the underlined word "Minister," and the word "part" is substituted for "volume."

Section 12 was agreed to.

Section 13 was agreed to.

On section 14-record to be kept by King's Printer of number of copies distributed.

Hon. Mr. ROBERTSON: May I inquire of the leader of the Government as to the meaning of the word "disposition" in this section? Does it mean that the King's Printer shall distribute direct from the Printing Bureau to the persons to whom the copies of Statutes are addressed, or will they come through the usual course of the Distribution Office?

Hon. Mr. BELCOURT: The word "disposition" refers to the names of the people to whom the statutes are sent or distributed.

Hon. Mr. DANDURAND: I find the answer in the commentary on the right-hand page:

14. This information has long appeared in the annual Report of the Department of Public Printing and Stationery. Section 15 of the existing statute corresponds to this section. It reads as follows :-

'15. The King's Printer shall, before the opening of each session of Parliament, make a report in triplicate to the Governor General showing,— (a) the number of copies of the Acts of each

session which have been printed and distributed by him since the then last session;

(b) the departments, administrative bodies, officers and persons to whom the same have been distributed. the number of copies delivered to each, and under what authority

(c) the number of copies of the Acts of each

(d) a detailed account of the expenses by him actually incurred in carrying this Act into effect, so that provision may be made for defraying the same after such account has been duly audited and allowed. 2. Such report shall be laid before each House of

Parliament within fifteen days after the opening of each session thereof."

Hon. Mr. ROBERTSON: I assume my honourable friend means to convey the impression to the House that "disposition" means disposition under existing authority, and not as the King's Printer may himself determine.

Hon. Mr. BELCOURT: No, it is the distribution under the reading of this Bill.

Hon. Mr. DANDURAND: It would be under the Act.

Section 14 was agreed to.

Sections 15, 16 and 17 were agreed to. Progress was reported.

CANADA-UNITED STATES BOUNDARY TREATY

PROPOSED RESOLUTION OF APPROVAL

The Senate proceeded to consider the Message from the House of Commons requesting the Senate to unite with that House in the approval of the Treaty and Protocol between His Majesty in respect of the Dominion of Canada, and the United States, for the further demarcation of the international boundary between Canada and the United States, laid upon the Table of the House on Thursday, the 26th February, 1925, which was signed at Washington on the twenty-fourth day of February, one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect to Canada by the plenipotentiary therein named.

Hon. Mr. DANDURAND: This Treaty has been distributed and is clear enough in its terms to need but a very concise explanation. It was signed at Washington on the 26th of February last by the Honourable the Minister of Justice, on behalf of His Majesty, in respect of Canada, and by Secretary Hughes on behalf of the United States. It was ratified by the Senate of the United States on March 12th last. Under its terms, the boundary line will be readjusted in three respects, and the Boundary Commission appointed under the Treaty of 1908 will be continued.

Article I of the Treaty concerns the boundary line along the Lake of the Woods and the northwesternmost point of said lake. The boundary line from the mouth of the Pigeon River to the northwest point of the Lake of the Woods intersects at five points the boundary line from the northwest point of the Lake of the Woods to the Rocky Mountains and leaves two small areas of 21 acres of United States waters entirely surrounded by Canadian waters.

Under this new treaty it is proposed to make the southernmost intersection the meeting point of the two boundary sections instead of the northwestern point given in the Treaty of 1908, which will bring the water area in question into Canadian territory.

Article II redresses or straightens the boundary line from Lake of the Woods to the Rocky Mountains which, under the Treaty of 1908, attempted to follow the curvature of the 49th parallel. It gave a curve not exceeding 4 inches per 13 mile between boundary monuments which did not give satisfactory results.

Article III relates to the boundary line at Passamaquoddy bay and Grand Manan channel between New Brunswick and Maine. It extends its line 2383 meters through the middle of Grand Manan channel to the high seas, as there was a small zone of waters of controvertable jurisdiction at that point.

Article IV provides for the continuance of the work of the Boundary Commission. It is composed of one Canadian and one United States Commissioner. Its original work is nearing completion. It will continue to inspect, keep in repair or re-locate the monuments and buoys, and keep open the boundary vistas. The boundary line between the United States and Canada, including Alaska, is 5,520 miles and is marked by 7,734 monuments. Over a 1.000 miles are timbered areas through which a 20 foot vista has been cut. Boundary monuments are apt to deteriorate and vistas to close by the growth unless inspection is continued. There will be no outlay for salaries on Canada's part, as the office of Boundary Commissioner has been merged with that of the Director General of Surveys, and the other staff will be provided by the Topographical or Geodetic Surveys.

The settlement of the boundaries is judged to be of sufficient importance to be dealt with by treaty as they deal with territorial and sovereign rights.

It is our good fortune in North America to settle these matters in peace and amity by negotiation, as in this instance, or by arbitration. It is important to have the boundary monuments in good repair because we have no soldiers keeping their eyes upon them.

Hon. Sir JAMES LOUGHEED: Who were the Canadian commissioners?

Hon. Mr. DANDURAND: The two commissioners who signed the Treaty?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: Secretary of State Hughes for the United States, and the Minister of Justice, the Hon. Mr. Lapointe, as the representative of His Majesty in respect of Canada. It now needs to be ratified by both House of Parliament.

Hon. Sir JAMES LOUGHEED: By what officials of the Crown was the recommendation made as to the change which has taken place?

Hon. Mr. BELCOURT: One Canadian and one American.

Hon. Sir JAMES LOUGHEED: Who would it be-the Director General of Surveys?

Hon. Mr. DANDURAND: The work has been going on for a long time.

Hon. Mr. DANIEL: Honourable gentlemen, while probably the matter is all right, and has been carefully gone into, I think it is only fair that the Minister should lay on Hon. Mr. DANDURAND. the Table of the Senate a map or maps showing the changes that are proposed. I notice that one of these changes is down in the Bay of Fundy, and I would like to know what the change really is. I certainly think that before we are asked to subscribe to changes of this kind—they may be important or they may be unimportant—we should see them portrayed by a map or maps showing just what they are.

Hon. Mr. DANDURAND: I may inform the honourable gentleman that I had the very same feeling: I read the whole of the Treaty, and I could not grasp the difference between the Treaty of 1908 and the present one. I could read the descriptions, but I could not visualize them. This morning I asked the Department of Interior to furnish the Senate with a map that I could lay on the Table so that all might have the same advantage that I had last week when I went into one of the departments and examined a map to find out exactly what the Treaty meant. I will defer the motion until to-morrow afternoon, or until we have the map.

Hon. Sir JAMES LOUGHEED: What area of territory is involved?

Hon. Mr. DANDURAND: There is a little alteration in the line which throws an area of 2½ or 3 acres of water to the Canadian side of the boundary; and abolishing the curvature of the 49th parallel and making it a straight line from the Lake of the Woods to the Rocky Mountains would throw perhaps some 20 acres all told to the other side of the line. That is all there is in it. It is most interesting to see the effect at the Lake of the Woods and between New Brunswick and the State of Maine. In the latter place all that honourable gentlemen will see is that the line is projected two or three thousand metres further towards the sea.

Hon. Sir JAMES LOUGHEED: Is there any settlement on any of the territory involved?

Hon. Mr. BELCOURT: Not on the watery part.

Hon. Sir JÅMES LOUGHEED: It is not all water. I understand there is some land. Are we taking in any of the American population, or are we giving some Canadians to them?

Hon. Mr. DANDURAND: I stated that there was a difference of, I think, 4 inches in a mile and a third.

Hon. Sir JAMES LOUGHEED: That would be a very narrow farm.

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Hon. Mr. DANIEL: What is the change in the boundary between Grand Manan and the mainland?

Hon. Mr. DANDURAND: There is no change whatever on land; it is a water line which is extended further towards the sea.

Hon. Mr. DANIEL: That means that you are giving so much more to the United States?

Hon. Mr. DANDURAND: My honourable friend will find that for himself when he looks at the map.

Hon. Mr. BELCOURT: May I suggest to my honourable friend that if he is going to bring down a map it might be as well to have it accompanied by a report of the commissioner so that it will be intelligible.

Hon. Mr. DANDURAND: It is quite clear.

Hon. Mr. DANIEL: We have already given the United States the whole northern part of Maine. Now I suppose we are going to give them the Bay of Fundy?

Hon. Mr. DANDURAND: No. Here is Article III:

Whereas the Treaty concluded on May 21, 1910, between Great Britain and the United States, defined the international boundary line between the Dominion of Canada and the United States from a point in Passamaquoddy bay lying between Treat Island and Friar Head to the middle of Grand Manan channel and provided that the location of the line so defined should be laid down and marked by the Commissioners appointed under the Treaty of April 11, 1908;

And whereas it has been found by the surveys executed pursuant to the said Treaty of May 21, 1910, that the terminus of the boundary line defined by said Treaty at the middle of Grand Manan channel is less than three nautical miles distant both from the shore line of Grand Manan Island in the Dominion of Canada and from the shore line of the State of Maine in the United States, and that there is a small zone of waters of controvertible jurisdiction in Grand Manan channel between said terminus and the high seas;—

The difficulty apparently arose out of the fact that each claimed the three mile limit, and as there were not six miles between them, the line had to be defined.

Hon. Mr. CASGRAIN: They had to go out to a point where the bay opened out to six nautical miles.

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

LAKE OF THE WOODS CONVENTION RESOLUTION OF APPROVAL

The Senate proceeded to consider the Message from the House of Commons requesting the Senate to unite with that House in the approval of the Convention and Protocol S-16 between His Majesty, in respect of the Dominion of Canada, and the United States of America, for regulating the level of the Lake of the Woods, and of identical letters of reference submitting to the International Joint Commission certain questions as to the regulation of the levels of Rainy Lake and other upper waters, laid upon the table of the House on Thursday, the 26th of February, 1925, which were signed at Washington on the twenty-fourth day of February, one thousand nine hundred and twenty-five, and which were signed on behalf of His Majesty in respect of Canada by the plenipotentiary therein named.

Hon. Mr. DANDURAND: Honourable gentlemen, this Convention is the result of negotiations under way since 1912, when the regulation of the level and outflow of the Lake of the Woods was referred to the International Joint Commission. The Commission reported in 1917; Canada accepted the recommendations in 1919; the State of Minnesota objected. A conference was held in Ottawa in 1922; further negotiations were carried on at Washington in 1923 and the present Convention was drafted. The Canadian Government accepted it, but the United States, mainly due to local Minnesota opposition, took no action until February, 1925, when the Secretary of State stated that his Government was prepared to accept.

The treaty was ratified by the United States Senate on March 14, of the present year, and I may say for the information of my honourable friend that it is practically on all fours with an Order in Council passed at his own request in December, 1921.

The purpose of the Convention is to raise the level of the Lake of the Woods and to maintain it at as uniform a level as possible, mainly in order to increase the power development on the Winnipeg River, flowing out of the Lake of the Woods. The dams and other control works, and the enlargement of the outlet from the lake, are being carried on at the instance of the Canadian Government under the recent Norman dam agreement effected by the Minister of the Interior and to which Ontario and Manitoba have consented. It is, however, necessary to secure the consent of the United States, as these developments may involve flooding of the low lands on the south United States shores.

The Convention provides briefly:

1. For the establishment of a Canadian Lake of the Woods control board and also an international board of two engineers to regulate the level of the lake when it rises or falls below certain levels, with appeal, if necessary, to the International Joint Commission.

2. Enlargements of the outlets by the Dominion.

3. Assumption by the United States of liability for flooding United States lands up to certain level of lake and for certain protective works and alterations.

4. Agreement by Canada to pay the United States in consideration of these undertakings \$275,000 and half of any additional sum expended within five years, two-thirds of these amounts to be assessed on the power companies benefited.

5. No diversion of water to any other watershed except by agreement.

Accompanying the Convention is a protocol providing:

1. Submission of Canadian outlets plans to the International board of control.

2. Submission of United States protective works to the international board of control.

3. Representation of Canada on tribunal to assess land damages.

4. One member of Canadian board to be also a Canadian member of the international board.

At the same time it is proposed to refer to the International Joint Commission, by identical letters of reference, certain questions as to the possibility of regulating the levels of Rainy Lake (following into Lake of the Woods) and other upper waters, the cost, the proper apportionment of the cost, and the nature and extent of interests benefitted by the present developments on Rainy lake and Kettle falls.

These undertakings of the two Governments, by indentical letters of reference to the International Joint Commission, were the result of considerable discussion between the State of Minnesota and the Federal authorities at Washington. They did not see what interest they had in the regulating of the level of the Lake of the Woods, and they feared that if that were accomplished and Canada were given all that it wanted, the Rainy Lake and tributaries to it would not be inquired into by Canada, joining with the United States. So all these matters have been cleared up. We have got the undertaking of the work for the maintenance of the level of the Lake of the Woods, and we are joining with the United States in asking the International Joint Commission to examine into the possibility of regulating the levels of Rainy Lake.

I need not dwell upon the importance of this work. Our friends from Manitoba know exactly what it means to them. The International Joint Commission's extensive investigation of Lake of the Woods matters conclusively showed that the regulation of Lake of the Woods in the manner they recommend is most desirable in every respect. Navigation, fishing and lumbering interests will be benefited, and in particular an adequate supply

Hon. Mr. DANDURAND.

of power to Kenora, Winnipeg and southern Manitoba assured. Undoubtedly, the greatest benefit to be derived from the Treaty under question is the utilization of the lake with its area of 1.485 square miles as a storage reservoir to increase the outflow from 6.000 second feet to 11,000 second feet, and to practically double the dependable flow of the Winnipeg river from Lake of the Woods and thereby assure an increase of 150,000 depend-24-hour horse-power. The Winnipeg able river is practically the sole source of power for southern Manitoba and it can safely be said that the industrial growth in this district will, in the main, be limited by the power available on this river. Other than the developments at the lake outlets, which include the Lake of the Woods Milling Company, with an output under normal lake levels of 10,000 barrels of flour per day, and the plant of the Keewatin Power Company, which furnishes power to flour and pulp mills and other industries in the town of Kenora, there are three large developments on the Winnipeg river in Manitoba, namely:

The City of Winnipeg plant at Point du Bois, with a present installation of 74,400 h.p. and a capital investment of over \$13,250,000.

The Manitoba Power Company's plant at Great Falls, with an installed capacity of 56,000 h.p., and an investment of \$7,600,000.

The Winnipeg Electric Railway Company's plant at Pinawa, with an installation of 37,800 h.p. and an investment of \$6,200,000.

At the City of Winnipeg plant at Point du Bois conditions are now such that full storage on Lake of the Woods is urgently needed to ensure operation of their plant to capacity.

I therefore move:

That the Senate doth unite with the House of Commons in the approval of the Convention and Protocol between His Britannic Majesty, in respect of the Dominion of Canada, and the United States of America, for regulating the level of the Lake of the Woods, and of identical letters of reference submitting to the International Joint Commission certain questions as to the regulation of the levels of Rainy Lake and other upper waters, laid upon the table of the House on Thursday, the 26th of February, 1925, which were signed at Washington on the twentyfourth day of February, one thousand nine hundred and twenty-five, and which were signed on behalf of His Majesty in respect of Canada by the plenipotentiary therein named, by filling in the blank space therein with the words, "Senate and."

The motion was agreed to.

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

THE SENATE

WEDNESDAY, May 13, 1925.

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

Prayers and routine proceedings.

REMISSION OF DIVORCE FEES

On the ninety-fifth and ninety-sixth reports of the Standing Committee on Divorce:

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I wish to say a few words in explanation of a proposed change, which does not apply to these particular reports, but may apply whenever the question of remission of fees come before the Senate. In all cases in which a remission of fees is made, where the Petitioner comes virtually in forma pauperis, it has been our custom to remit all the fees except the printing charges. The printing charges have been assumed for many years, in fact since about 1912, to amount on the average to \$25. The cost of printing and everything that goes with the publication of our reports has increased very considerably in that time. I requested the Clerk of our Committee and others who are interested to prepare an estimate of the average cost, and they assure me that it would be about \$40. Therefore, in future, in reports on cases in which there is to be a remission of fees, we shall insert the words, "less the sum of \$40 for printing," or words to that effect. Tn contested cases the fees often run up to \$300 or more, but we are not dealing with such cases now.

DIVORCE BILLS

FIRST READINGS

Bill X3, an Act for the Relief of Birdie Cohen Gould.—Hon. Mr. Haydon.

Bill Y3, an Act for the Relief of Walter Roderick Wilson Robinson.—Hon. Mr. Haydon.

CANTEEN AND DISABLEMENT FUNDS INQUIRY BY SPECIAL COMMITTEE

Hon. W. A. GRIESBACH: Following the discussion of last night in reference to the Canteen Fund and the Disablement Fund, with the consent of the House I beg leave to move the following resolution:

That a Special Committee composed of the Honourable Messrs. Belcourt, Black, Dandurand, Laird, Lougheed, Macdonell, Pardee, Robinson, Ross (Moose Jaw), Sharp, Turgeon, and the mover, be appointed to inquire into all matters relating to or arising out of the following matters, namely: The administration of the Canteen Fund and the Disablement Fund, and the uses to which advances from those funds $S-16\frac{1}{2}$

have been put; and the manufacture and sale of paper poppies by the Department of Soldiers' Civil Re-establishment, and the re-sale by various exsoldiers' organizations;

And that the said Committee have power to send for persons, papers, and records, and to examine witnesses under oath.

I shall be very pleased to make an explanation of the motion if any honourable gent!eman desires it.

The Hon. the SPEAKER: Before putting the resolution to the House, I would like to point out that this Committee is composed of the same members as the Committee which was appointed last night by the House to deal with another matter, and the question occurs to my mind whether it should not be done by way of an instruction to that Committee rather than by a resolution. I have not had time to look into the matter, and would not like to express an opinion off-hand.

Hon. Mr. DANDURAND: I understand the honourable gentleman is giving a notice of motion.

The Hon. the SPEAKER: No, he is asking, with the leave of the House, that it be now put. If the House prefers to leave it as a notice of motion, it may be dealt with in that way.

Rt. Hon. Sir GEORGE E. FOSTER: Aside from that question altogether, I think it is only fair that the mover of a resolution like this asking for immediate action should give some grounds why he thinks it necessary to put the country to the expense of an investigation. The grounds may be very good—I confess that I know nothing of them —but it seems a little anomalous that we should have a resolution of that kind without any explanation as to why the Committee should be appointed.

Hon. Mr. DANDURAND: The honourable gentleman could perhaps give his explanation now, or turn his motion into a notice of motion for to-morrow, and give the explanation to-morrow. I suppose the Senate is disposed to hear the honourable gentleman now; yet the notice of motion could stand and be taken up to-morrow. As a matter of fact, the Bill concerning the Canteen Fund will be taken up for second reading only to-morrow.

Hon. Mr. GRIESBACH: I have no objection to the resolution standing as a notice of motion; but I was under the impression that it would have to stand until Tuesday, and I should like to have it disposed of without delay. As to the suggestion that I should give the grounds, I shall be very pleased to do so.

The House is probably familiar with the method whereby the Canteen Fund was created. An amount exceeding \$2,000,000 was sent to Canada in 1919-20 to be disposed of by the Government of Canada. That Fund has remained in the hands of the Government since that time, accumulating interest. On several occasions, as disclosed by the returns brought down, sums of money have been taken out of that Fund, and have been paid to various persons and organizations. The information before me is that on one occasion \$120,000 was paid out, and that upon another occasion \$50,000 was paid out. I submit that ex-servicemen of the country have a right to know what has been done with this money After all, it is their money, as has been said so frequently in the House: they have a right to know who received the money and what was done with it.

With respect to the payment out of \$120,000, apart from the names of the organizations which received the moneys—

Hon. Mr. LAIRD: What is the date of the payment out of the \$120,000?

Hon. Mr. GRIESBACH: The Order in Council is No. 3887, of October 12, 1921. The statement which I have received clearly shows the persons and organizations to which the money was paid, but as far as I can ascertain no statement has been submitted as to how the money which these organizations received was spent.

As to the previous Order in Council, granting \$50,000 to the Great War Veterans' Association, a statement is submitted accounting for \$28,449.50, and in the return submitted to the House this statement appears:

Statements accounting for the remaining \$21,550.43 are not available.

Now, with respect to the statement in reference to the \$28,449.57, I venture to assert that ex-servicemen in the country will not approve of the manner in which the sum of money accounted for has been spent. There are items here which I greatly question, items of which I think the House should be made aware.

Then, passing from the Canteen Fund to the Disablement Fund, I may say that that is a Fund created by the generosity of Mr. James Carruthers.

Hon. Mr. BELCOURT: Before my honourable friend goes on to the other question, will he permit me to say that for my part I should like to know how the Canteen Fund was created and what was its purpose. I do not know anything about it.

Hon. Mr. GRIESBACH.

Hon. Mr. GRIESBACH: I thought it was a matter of common knowledge. The Canteen Fund of the British Expeditionary Forces was the surplus resulting from the operation of canteens in the British Army on all fronts during the late war, amounting to many millions of dollars, and Canada's share was approximately something in excess of \$2,000,000, which was adjudged to be the property of the soldiers. The problem before Canada for some time has been an equitable division or use of the money and that is provided in the Canteen Bill.

Hon. Mr. TESSIER: Where did the money come from?

Hon. Mr. GRIESBACH: Out of the pockets of the soldiers, for eatables and drinkables purchased at Army Canteens.

Hon. Mr. BELCOURT: And where has the money lain?

Hon. Mr. GRIESBACH: The money has been in the possession of the Government since it was sent here from England, after distribution in England about 1920, and the interest has been accumulating. It is out of the interest that payments have been made to different organizations.

Hon. Mr. TANNER: Did any persons other than the soldiers themselves have anything to do with the management of these canteens and the earning of the money?

Hon. Mr. GRIESBACH: The canteens were run under military management all the way through.

Hon. Mr. TANNER: Wholly by the soldiers?

Hon. Mr. GRIESBACH: Wholly by military organizations.

Passing to the Disablement Fund, I may say that this Fund is a sum of money the major portion of which, I think, was subscribed by the late Mr. James Carruthers, of Montreal, and in addition to this subscription there was a sort of campaign put on and a sum of money which seems to aggregate about \$135,000 was collected, from which there have been payments made in the way of small loans and so forth.

About the latter end of last year or the early part of this year \$15,000 was taken out of this Fund, under circumstances, to put it mildly, that invite inquiry. Honourable gentlemen will remember that I have asked a number of questions with respect to this Fund, and have had some difficulty in getting at the facts.

In particular, I have endeavoured to find out what was the basis of negotiations; that is to say, who saw whom and who asked for what. My inquiries so far lead to this: that on a certain date Mr. MacNeil, who is Secretary of the Great War Veterans' Association, and who was also Secretary or Chairman of the Dominion Veterans' Alliance, which was a federation of all ex-service men's organizations until it was recently disrupted or destroyed, called on the Minister of Soldiers' Civil Re-establishment and applied to him for a loan of \$15,000 from the Disablement Fund for the Great War Veterans' Association. In the Minister's reply, as far as I have it, he refused to make a loan to the Great War Veterans' Association, but agreed to make a loan from the Disablement Fund to the Dominion Veterans' Alliance, and an Order in Council covering the transaction was passed in due course providing that \$15,000 should be taken from the Disablement Fund and loaned to the Dominion Veterans' Alliance, and that it should be repaid out of the sum of money which the Minister expected at that time would be voted in disposing of the Canteen Fund finally -under the Bill that is to come before us, \$15,000 would come out of that amount, which in turn was to be voted practically to the Great War Veterans' Association.

The Order in Council was passed on false premises and misinformation—one wonders whether intentionally so or otherwise; but the outstanding fact so far as this discussion is concerned is that the Order in Council provides that there shall be loaned from the Disablement Fund to the Dominion Veterans' Alliance the sum of \$15,000. I shall contend that the Minister had no authority whatever to take any money out of the Disablement Fund for the purpose in question.

Now, the trustee of that Fund is Mr. Scammell, Assistant Deputy Minister of Soldiers' Civil Re-establishment. He proceeds to check out the \$15,000 loan. He issues a cheque for \$1,000, and subsequently another cheque for \$1,000, and subsequently a cheque for \$3,000, and he makes these three cheques, aggregating \$5,000, payable to the Great War Veterans' Association. I submit that that transaction is without any authority at all. I have already drawn attention to the fact that the Order in Council provides for a loan of \$15,000 to the Dominion Veterans' Alliance. There is therefore no authority at all for the payment out of the first \$5,000.

The next two cheques are for \$5,000 each, and are made out in favour of the Dominion Veterans' Alliance, being in accordance with the Order in Council. As far as one can learn from the Debates in another place, the information there given, and the replies and returns to orders which I have received, Mr. MacNeil, who is either Chairman or Secretary of the Dominion Veterans' Alliance, and also Secretary of the Great War Veterans' Association, took the cheques made out in the name of the Dominion Veterans' Alliance and converted them to the use of the Great War Veterans' Association.

I submit that the facts as I have stated them constitute a subject-matter of inquiry which ex-servicemen throughout the whole of this country, regardless of the organizations to which they may belong—and by far the larger proportion of them do not belong to any organization at all—and lay upon this House a duty which it cannot escape.

Passing from that to the manufacture of paper poppies, honourable gentlemen are aware that once a year throughout Canada on different days which may be selected, soldiers' organizations sell paper poppies, which, in the first place, are manufactured by organizations working under the control of the Department of Soldiers' Civil Re-establishment, and which are by them sold to veterans' organizations, and by them retailed by way of tag days and so forth. The impression has gone abroad that one organization in Canada has a monopoly of this sale. Ex-servicemen hear of differences of prices, and this creates difficulty on re-sale, and very few people know what becomes of the money which is produced by the re-sale of those poppies. It is desirable that some authority, probably this House, should establish the principles which are to govern the sale of those articles, because, after all, it is a Government undertaking. Then, I think that in the interest of the subscribing public, whose patriotism and sympathy are appealed to on these occasions, we should also have some information as to what becomes of the money they subscribe, and as to all the circumstances that surround this transaction.

These are the three matters which, under my motion, I desire to have submitted to a Committee of the House. Last night I sought to include them under the general reference of the Pension Bill, to which I might call a soldiers' affairs Committee. I do not much care how it gets there so long as it does get there. We have to deal to-morrow with the Canteen Bill, which disposes of those funds, I hope, for all time, and puts them beyond the reach of those who might abuse them, to put it mildly. As I pointed out last night, the Canteen Fund Bill has nothing whatever to do with the inquiry I desire to have made into the Canteen Fund. The Canteen Bill is for the future, and my inquiry relates to the past.

If I have omitted anything of interest, I shall be very glad to make explanation. I do not mind whether my motion is submitted as a notice or not, but I am desirous that after this explanation the matter may be put in such shape that we may proceed with the inquiry without delay, because it may take some time, and we may require to have a number of witnesses before the Committee.

Right Hon. Sir GEORGE E. FOSTER: As I raised the question which resulted in the information which has been given, I wish to say I did not raise it because I had any objection to the examination, but I thought it was regular, and I desired the information, for myself and probably for others, that the grounds for making the resolution should be stated. The information having been given, I think my honourable friend has made out a prima facie case, and I have no objection to the matter being dealt with at once.

Hon. Mr. DANDURAND: I will not object to the motion being adopted now. Of course, the statement which we have just heard presents certain serious aspects, and the Ministers whose actions have been under discussion may possibly have a statement to make. I will not suspend the passing of this motion, but when the Bill dealing with the Canteen Fund comes to-morrow, if the Minister who administers that fund, or at all events has it under his supervision, desires to make a statement, he will furnish me with one.

Hon. Mr. BELCOURT: It seems to me it would be a decided advantage if this Committee did not meet until after the discussion on the second reading of the Bill, which is on the Order Paper for to-morrow. I am not of my honourable friend's opinion that these two things are wholly disconnected.

Hon. Sir JAMES LOUGHEED: The Committee will probably not meet until next week.

Hon. Mr. BELCOURT: I only want to be sure that it will not meet until we have had the Bill.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Bill 26, an Act respecting the patent of Walter W. Williams.—Hon. Mr. White (Pembroke).

Hon. Mr. GRIESBACH.

ROYAL CANADIAN MOUNTED POLICE BILL

FIRST READING

Bill 115, an Act to amend the Royal Canadian Mounted Police Act.—Hon. Mr. Dandurand.

BANKRUPTCY BILL

FIRST READING

Bill Z3, an Act to amend the Bankruptcy Act.--Hon. Mr. Dandurand.

VACANCIES IN THE SENATE

On the Orders of the Day:

Hon. Sir JAMES LOUGHEED: I would direct the attention of my honourable friend the leader of the Government to the fact that there are seven vacancies in this Chamber which should have been filled before now. Some of them are of long standing. May I ask my honourable friend what the intention of the Government is as to the filling of those vacancies?

Hon. Mr. WATSON: Lack of candidates.

Hon. Mr. DANDURAND: I will gladly convey the question to my colleagues at the first opportunity. My own impression has been that it probably was felt that it would be better to wait for the Interprovincial Conference before making those appointments, because that Conference may decide in favour of a reduction in the number of Senators.

Hon. Sir JAMES LOUGHEED: May I suggest to my honourable friend that possibly the Government had a general election in view before filling the vacancies?

Hon. Mr. DANDURAND: Well, that may possibly be in the mind of some one, but I would be surprised if it should be in the mind of any Senator. It is not in mine.

DIVORCE BILLS THIRD READINGS

Bill M3, an Act for the relief of Lillian

Yaffe.—Hon. Mr. Green.

Bill N3, an Act for the relief of Charles William Dickinson.—Hon. Mr. Green.

Bill O3, an Act for the relief of Charles Murray Cramsie.—Hon. Mr. Blain.

Bill P3, an Act for the relief of Frederick William Mallyon.—Hon. Mr. Schaffner.

HIGHWAYS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 68, an Act to extend the period of The Canada Highways Act.

Hon. Mr. Gordon in the Chair.

The Bill was reported without amendment.

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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.

MIGRATORY BIRDS CONVENTION BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 44, an Act to amend the Migratory Birds Convention Act.

He said: Perhaps I may as well give the explanation of this Bill. It is a very short Bill, so that these explanations will be valuable when we reach the Committee stage.

This Bill amends Section 2 of the Migratory Birds Convention Act by adding new paragraph aaa. This provides an addition to the items respecting which regulations may be adopted. This addition is made necessary because of a decision in the Court of Appeal of Manitoba in the case of the King vs. Douglas Stuart, which decision made it appear that the present statute forbade the possession of migratory game birds lawfully taken during the open season in any part of the closed season next following. Once this new paragraph aaa becomes law, regulations allowing the possession of legally taken migratory game birds during a part of the closed season can be adopted and made to suit the conditions in each of the provinces.

The addition to Section 2, amending Section 5, of the Migratory Birds Convention Act, is to provide for the appointment of all Ontario Game and Fishery Officers as game officers under the Migratory Birds Convention The Provincial Authorities have un-Act. dertaken to have their officers enforce the Act throughout Ontario. They desire however, that these appointments be made by Act of Parliament, and that their officers should not be entitled to any part of fines imposed in cases instituted by them, as provided in Section 12 of the Act. Provision has been made for the appointment by the Governor in Council of the Game and Fishery Officers for the other provinces, upon request, without any further amendment to the Act.

Section 6 of the Act is amended because of the change as given in paragraph aaa.

The principle of this amending Bill has the approval of the game authorities of the Provinces of Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia. No reply has been received from the game authorities of Prince Edward Island.

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

GOVERNMENT ANNUITIES BILL CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 71, an Act to amend the Government Annuities Act, 1908.

Hon. Mr. Willoughby in the Chair.

On section 1-limitations as to persons and amounts:

Hon. Mr. DANDURAND: I explained last evening the purport of this amendment; so I have nothing to add, unless some question may be asked.

Right Hon. Sir GEORGE E. FOSTER: There is one question I would like to ask. In the explanations that my honourable friend gave last night he mentioned that in 1922 the administration of this Act was passed over to the Labour Department. I had some knowledge of the Act and of the administration of it in earlier years, and it was afterwards passed over to the Post Office Department. My own view had been, and it is yet to a certain extent-I have seen nothing to change it-that the Act should be administered by the Finance Department. An annuity is a financial transaction and the Finance Department has its offices and its officers for the management of financial affairs. The Post Office has a similar management, and it was quite in order to transfer it to the Post Office Department, but what reason on earth there was for sending the administration of a Government Annuity Act to the Department of Labour I never could ascertain. It would appear to me that the Labour Department had no special machinery for administering a financial Statute of this kind, whereas there was machinery in both the other Departments.

Does my honourable friend know the reason which led to the change, and whether or not it has been found to work economically?

Hon. Mr. DANDURAND: I can give no information to the right honourable gentleman on the two points which he raises. If he will allow this stage to be taken—

Right Hon. Sir GEORGE E. FOSTER: Yes. What I wanted was the information.

Hon. Mr. DANDURAND: At the third reading I shall have the information. I have here an official of the Department, but very likely he would not wish to express an opinion on the policy which has governed the change.

Section 1 was agreed to.

The preamble and the title were agreed to. The Bill was reported.

CANADA-UNITED STATES BOUNDARY TREATY

RESOLUTION OF APPROVAL

The Senate proceeded to the further consideration of the Message from the House of Commons requesting the Senate to unite with that House in the approval of the Treaty and Protocol between His Majesty in respect of the Dominion of Canada, and the United States, for the further demarcation of the international boundary between Canada and the United States, laid upon the Table of the House on Thursday, the 26th February, 1925, which was signed at Washington on the twenty-fourth day of February, one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect to Canada by the plenipotentiary therein named.

Hon. Mr. DANDURAND: I have procured for the honourable gentleman from St. John (Hon. Mr. Daniel) a map showing the line which is being extended between New Brunswick and Maine; and another map I have laid on the table of the House for the information of the members generally. If the honourable gentleman who guards particularly the interests of his city and his province is satisfied, I will move the adoption of the resolution.

Hon. Mr. DANIEL: I took the trouble this morning, to go, as the honourable gentleman suggested yesterday, to see the Deputy Minister of External Affairs. He explained to me what was proposed regarding the boundary extension in the Bay of Fundy. So far as I can see, it means the extension of the present boundary for a mile and a half. I do not see that it can interfere in any way, provided our commissioners who are appointed to locate the extended line look after our interests as well as the commissioners of the United States are sure to look after theirs.

Hon. Mr. WILLOUGHBY: And have done so in the past.

Hon. Mr. DANIEL: Therefore, so far as that is concerned, I am satisfied that the proposed boundary will be all right.

I may say that in this first map, which comes, I think, from the Department of the Interior, the Island of Grand Manan is shown in the Province of Nova Scotia. One would think they would know that the Island of Grand Manan belongs to the Province of New Brunswick, and for an expert geographer to lay before the Senate a plan with such a mistake is a little curious.

With regard to the Lake of the Woods, I have been trying to make out exactly what is meant. The map appears to be rather confused. I cannot see from the explanations exactly what we give. What we get is very plain: it is about two and a half acres of water. But what we give is, to my mind, not plainly marked on the map. The honourable gentleman may know better and may see better than I can make out.

Hon. Mr. DANDURAND: The difficulty in indicating what we yield to the United States lies in the fact that it is infinitesimal at every part of the line. I stand to be corrected, because the figure which I gave yesterday is official, and I have not that figure before me now, but I think it represents four inches to every mile and one-third. The attempted curvature of the 49th parallel was directed to be straightened between the monuments. There is one mile and onethird between them; therefore, in order to follow that parallel there would be on one side of a straight line a curve averaging four inches from one monument to another. It is impossible to indicate on a map such a small area. All along the line there is an attempt to indicate that curvature. It has been found of very little practical value. The curvature having been in our favour, and the line being straightened, we lose on the average four inches between each two monuments, right through to the coast. It is pretty difficult to make an addition. It is reckoned that the area may represent, on the whole, about twenty acres, but at each part of the line it represents only an average of four inches.

Hon. Mr. DANIEL: What is not plain to me there is how far the State of Minnesota extends up alongside the line that is marked. The Province of Ontario is on one side and the Province of Manitoba on the other, and to the south is the State of Minnesota; but the map does not show very distinctly, to me, the exact lay of the land. I refer to the small map, not the one at which the honourable gentleman is looking. Perhaps other honourable members may understand it.

Hon. Mr. DANDURAND: I understand that the line from the east and the one from the west, on reaching the Lake of the Woods, did not meet. For a certain distance one line crossed and recrossed the other at several points.

The line has been straightened, and as a result about two and a half acres of American waters will now be Canadian waters.

This matter has been very closely studied by our officers, and I see some commendation of the work that they have been doing.

I do not know where my honourable friend has seen Grand Manan shown as belonging to Nova Scotia. I do not see it in the map that has come to me from the Acting Commissioner, Mr. Craig.

I move this resolution:

That the Senate doth unite with the House of Commons in the approval of the Treaty and Protocol between His Britannic Majesty in respect of the Dominion of Canada, and the United States, for the further demarcation of the international boundary between Canada and the United States, laid upon the Table of the House on Thursday, the 26th of February, 1925, which was signed at Washington on the twenty-fourth day of February, one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect of the Dominion by the plenipotentiary therein named, by filling in the blank space therein with the words "Senate and."

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I think there is involved a matter which might in the future become very grave. At some time a long distance ahead there may be a dispute between Nova Scotia and New Brunswick as to territory, and then it would be an injustice to the Province of New Brunswick to fish out this old map and on that basis annex Grand Manan to the Province of Nova Scotia. I think that matter of controversy ought to be settled now.

Hon. Mr. DANDURAND: I do not know on what map my honourable friend (Hon. Mr. Daniel) has seen Grand Manan in Nova Scotia.

Hon. Mr. DANIEL: You will find on your map that this island, Grand Manan, was first marked in Nova Scotia, but evidently somebody in the Department of External Affairs saw that the geographer was wrong and altered it.

Hon. Mr. DANDURAND: As my honourable friend has observed, the words "Nova Scotia" had been printed. It may have been done inadvertently by a draftsman. However, when the map came into the hands of the proper officer he struck out "Nova Scotia" and put in "New Brunswick." So New Brunswick is safe.

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

Hon. Mr. ROCHE: I would like to remark that the whole of New Brunswick at one time belonged to Nova Scotia. Perhaps that is an old map.

Hon. Mr. ROBERTSON: May I inquire of my honourable friend whether or not it is the intention of the Government, or of the Commission having joint jurisdiction, to move those monuments along the 49th parallel four inches over? Hon. Mr. DANDURAND: According to the terms of the Treaty, the line will be straightened. There is a certain advantage in straightening the line. I speak as a layman. When you are cutting across the forest you must maintain a twenty-foot clearance. It is of advantage to the men who are attending to the maintenance of the line to have a straight one rather than a curvature.

Hon. Sir JAMES LOUGHEED: It will not interfere with the monuments. The four inches would be at the top of the curvature, that is all.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. DANIEL: There is a Board of Commissioners already appointed who have authority to locate or relocate, and put in order or rebuild, any boundary monuments that have fallen down, and to charge the expense equally to the two countries, the United States and Canada. That Board remains in being for six years from the date of the signing of this Treaty. That is the organization that is vested with power and authority to have these monuments placed in accordance with the Treaty and to see that they are kept in order for the next six years.

The motion was agreed to.

NOVA SCOTIA COAL MINES DISPUTE DISCUSSION CONCLUDED

The Senate resumed from May 6 the adjourned debate on the notice of Hon. Mr. Robertson:

That he will call the attention of the Senate to the serious conditions in the coal mining districts of Nova Scotia, and inquire what if any action the Government intend to take in order to bring about a settlement of the dispute between the Miners and the British Empire Steel Corporation.

Hon. Mr. DANDURAND: Honourable gentlemen, I moved the adjournment of the debate because I thought no other member desired to take part.

The honourable gentleman from Welland (Hon. Mr. Robertson), the ex-minister of Labour, has brought to the attention of the Senate the serious conditions existing presently in the coal mining district of Nova Scotia. He has asked what action the Government intends to take in order to bring about a settlement of the dispute between the miners, and the British Empire Steel Corporation.

The Government feels that it has exhausted all its powers of persuasion to bring about an amicable settlement. If any new avenue can be suggested, it will give its best attention to the request, from whatever source it may come. The matter is now in the hands of the provincial authorities. The Nova Scotia Government has exclusive jurisdiction over property and civil rights within the province. It has granted the British Steel Corporation its charter and it owns the coal mines operated by that corporation.

The Nova Scotia Legislature, which has just prorogued, has been dealing with the matter.

The honourable Senator from Welland has made a suggestion which addresses itself directly to the Government of the Province of Nova Scotia and to its Legislature. It will be for them to examine into it. It belongs exclusively to their jurisdiction. My answer would stop here if the honourable gentleman had not expressed the opinion that one of the main causes of distrust with the employees comes from the action of the Federal authorities whom he seems to hold responsible for the despatch of troops to the Sydney mines towards the end of June 1923. The honourable gentleman went further and argued that this action was the remote but direct cause which brought forth the judgment of the Privy Council declaring ultra vires our Industrial Disputes Investigation Act. as the absence of forces in Toronto at that time had prompted the Labour Department to insist upon an arbitral inquiry being held in the matter of a threatened strike among the employees of the Hydro-Electric Commission.

From my knowledge of the law and of the facts, I must state that the honourable gentleman is totally in error. The Government sent no troops to Sydney. The troops which gathered there were called by the local authorities under clauses 81 and 82 of Chapter 41, Revised Statutes, 1906. I am speaking of the old law as existed in 1923. Clause 80 says that the Militia may be called out to suppress riots, and clause 81 reads as follows:

The district officer commanding in any locality, if he is present in the locality and able to act, or if he is not so present, or from sickness or other cause is unable to act, the senior officer of the Active Militia in any locality, not from sickness or other cause unable to act, shall call out the Active Militia, or such portion thereof as he considers necessary for the purpose of preventing or suppressing any such actual or anticipated riot or disturbance, when thereunto required in writing by the civil authority hereinafter designated in that behalf: Provided that so far as the Permanent Force is available, a sufficient number of the Force is to be employed upon the duty of preventing or suppressing such actual or anticipated riot or disturbance before recourse is had to other militia corps, and shall replace such other militia corps if so called out upon duty so soon as and to the extent the Permanent Force shall thereafter become available.

Clause 82 states who may make requisition in general, and reads:

If the place where such riot or disturbance occurs or is anticipated is municipally organized, the mayor Hon. Mr. DANDURAND,

or warden or other head or acting head of the municipality, together with two justices of the peace, or in the event of such mayor, warden or other head or acting head refusing or being unable to act, the county or district court judge or one of the county or district court judges having jurisdiction in such place, acting alone, or, if there is no such judge then any judge of a superior court who has jurisdiction in such place, may by requisition in writing require the Active Militia, or such necessary portion thereof to be so called out.

These two clauses indicate who can requisition, and to whom the requisition is to be addressed. In this instance it was the county court judge who made the requisition, which under the Act was addressed to the district officer commanding in the locality. Under the terms of that Act, Mr. Justice Duncan Finlayson, a County Court Judge, in the exercise of his powers signed the requisition. The District Officer Commanding, at once sent out his permanent force from his own district and, judging that it was insufficient. instead of calling out his non-permanent militia, as he had a right to do, asked the Militia Headquarters at Ottawa to send him a certain number of permanent force troops. The Militia Headquarters, following the letter and the spirit of the Act, which directs that the permanent force be preferably used, complied with this request.

The honourable gentleman goes further and gives it as his opinion that the troops were not needed in 1923. It was not for the Government to decide that question; it had no discretion in the matter; but the Government set on foot an investigation into the industrial unrest among the steel workers at Sydney, creating conditions which had occasioned the calling out of the active militia.

That Commission was composed of Dr G. W. Robertson, J. J. Johnson, K.C., of Charlottetown, and Mr. Fred Bancroft, of Toronto, a well known labour representative. Here are short excerpts from their report, which is unanimous:

A general strike was declared by the union and began to take place between 3 and 4 o'clock in the morning of June 28th.

From the evening of June 28th gangs of strikers, masked and in many cases armed with clubs, raided the plant and forcibly removed men engaged in maintenance work. That evening serious rioting took place at No. 4 gate. Many assaults were made. Stones and bottles were thrown. The Deputy Chief of Police of Sydney was kicked when he had fallen down. The local police were entirely unable to cope with the situation and preserve law and order. Magistrate W. A. G. Hill while reading the Riot Act was struck on the head by a stone and afterwards became unconscious. The nature of the situation was brought to the attention of His Honour Judge Finlayson, who sent a requisition for the Active Militia to come in aid of the eivil power.

Militia to come in aid of the oivil power. During the following day, Friday, raids were made on the coke ovens. In the evening a crowd numbering many hundreds was outside gate No. 4, throwing stones and other missiles. Policemen and others were injured. Some strikers broke through the fence and, wearing masks on their faces and having clubs and other weapons, drove maintenance men off the plant.

On Saturday morning, June 30th, two hundred and forty-six soldiers arrived from Halifax in charge of Colonel W. H. P. Elkins. During Saturday evening riotous conditions again prevailed outside No. 4 gate. There was a large crowd shouting, yelling and throwing stones. A detachment of soldiers stationed inside the plant to support the police in preventing a raid were struck by stones and had to fall back out of range. A magistrate read the Riot Act; but the riotous crowd did not fully disperse.

The following morning, July 1st, a detachment of provincial police arrived under command of Colonel Eric Macdonald. In the evening a large crowd had assembled outside gate No. 4. It was behaving in a riotous and threatening manner, throwing stones and other missiles. The provincial police dispersed the unlawful assembly and suppressed the riot.

From that time onward patrols of provincial police and militia prevented further riotous conditions.

His Honour Duncan Finlayson, Judge of the County Court, appeared before the Commissioners as a matter of courtesy. He stated that he signed the requisition to call the troops to Sydney because there was before him what he considered sufficient evidence to warrant him in taking that step, all in accordance with the law relating to that matter.

The conclusion of the report says: .

It appeared from the evidence that the Militia rendered effective aid to the civil power in the protection of life, liberty, order and property under the law.

The militia and provincial police were not at any time or in any sense used as strike breakers. They took no part and took no side in the industrial dispute.

Many witnesses who had personal knowledge of the situation and some of the occurrences, when the plant was being raided, when mob rule was prevailing, and when life and property were being endangered, declared that it was wholly necessary to call out the troops in aid of the civil power.

From the evidence received, and from the understanding of the situation which grew up from hearing the testimony of many witnesses, the Commissioners are of the opinion that the local police force was entirely inadequate to deal with the situation which had occurred, that a riotous condition of mob rule prevailed for some days and nights and that the presence of the militia was necessary and beneficial.

The honourable gentleman also referred to a coal mining dispute which occurred in Cape Breton in 1922, and said that "almost before the strike was called, military forces were thrown into Nova Scotia". They were called under the Militia Act by the local authorities.

The Militia Act was amended last year, The Attorney General of the province is now obliged to take the responsibility of the calling out of the troops. I am happy to have the commendation of the honourable gentleman for this modification of the Militia Act.

Hon. G. D. ROBERTSON: I am grateful to my honourable friend for the information he has given the House as to the attitude of the Government towards this serious industrial difficulty that unfortunately is still going on in the coal fields of Nova Scotia.

Were it not that I have a deep and abiding faith in even-handed justice ultimately being done where any great dispute exists, I would feel discouraged over the present situation. I think my honourable friend's explanation has very clearly shown that in 1923 the Federal Government did send the troops to Nova Scotia from a wide area, extending even to Winnipeg, and surely it is clear that a county court judge had no power to call them.

Hon. Mr. DANDURAND: The district commandant had the right to call them.

Hon. Mr. ROBERTSON: That is a matter of past history, and was remedied by the legislation of last year.

May I, however, briefly refer to what I regard as a most unfortunate aspect of this unfortunate affair? My remarks a few days ago were calculated to show a way out, to start a line of thought that might result in the breaking of the deadlock that has existed for some weeks, and which only makes the situation more serious and the feeling perhaps more bitter on both sides as time goes It is surely true that my honourable on friend from Montarville (Hon. Mr. Beaubien), who I am sorry is not here this afternoon, did not indicate any feeling of confidence in either the employees or their so-called leaders and advisers. I tried to state clearly, and I hope I succeeded in doing so., that I felt sure that without a reasonable degree of confidence in the honest intention of the employer and the employee satisfactory industrial relations could not exist. My honourable friend who followed me in the discussion that day is intimately connected with the great industry in question, and I leave it to honourable gentlemen present whether the views he expressed were not, to say the least, very strong indeed against accepting any advice or interference as he termed it, on the part of the United Mine Workers organization to help solve the difficulties. If that is his attitude, it must be the attitude of the Company itself, and if my honourable friend and those associated with him in the administration of that great industry feel that way towards responsible and esteemed citizens of the neighbouring Republic, to whom he referred personally, how can one blame the poor miner, who for years has suffered under the conditions of which he now complains and is resisting, for having similar feelings towards those whom he blames for his unfortunate predicament?

My honourable friend referred by name to the President of the United Mine Workers, Mr. Lewis. I want to be fair to all concerned, but I must say that it seemed to me that my honourable friend, in his oratorical way, and in his forceful and convincing way, left the impression that, in his opinion at least, this gentleman was not a desirable person to have enter the Dominion of Canada.

I want to state, honourable gentlemen, a few simple facts for the information of the House, and then I will leave it at that.

The Hon. the SPEAKER: I think I ought to point out to the honourable gentleman that he really has no right to make a reply.

Hon. Mr. ROBERTSON: I beg the pardon of the House if that is the case.

The Hon. the SPEAKER: The House, of course, can give him leave to do so; but rule 36 says:

A reply is allowed to a Senator who has moved the second reading of a Bill, or made a substantive motion, but not to one who has moved an amendment, the previous question, an adjournment during a debate, a motion on the consideration of Commons amendments, or an instruction to a Committee.

The honourable gentleman will remember that this is simply a question that calls attention.

Hon. Mr. ROBERTSON: I bow to the decision of the Chair, and would respectfully ask the consent of the House to continue for a few minutes.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to the fact that the honourable gentleman who followed him (Hon. Mr. Beaubien) may ask the same privilege.

Hon. Mr. BELCOURT: Or any other member.

Hon. Mr. DANDURAND: Or any other member. That is the difficulty.

Hon. Mr. ROBERTSON: I just want to make a statement of fact, without entering into a debate on the subject, because I feel that it is entirely unfair to leave an impression on the minds of honourable gentlemen respecting so prominent a citizen of the United States as Mr. Lewis.

My honourable friend specifically stated that it was admitted by everybody that when the United Mine Workers invaded this country trouble entered with them. May I state, as a matter of fact, and as a matter of personal knowledge, that the United Mine Workers came into the coal fields in 1918 by specific agreement with the President of the Dominion Iron and Steel Company, who went to the Vanderbilt Hotel in New York and met the representative of the Mine Workers there, and agreed that it was necessary and desirable to bring about a more stable situation in the coal fields of Nova Scotia, and agreed also Hon, Mr. ROBERTSON.

to co-operate with the United Mine Workers' organization with the view and intention of trying to suppress the rising tide of Bolshevism that was then sweeping over Canada. I want to say as a statement of fact that the United Mine Workers' organization sent three representatives into the Province of Alberta and maintained them there for months, and succeeded in stopping the flow of about \$9,000 a month that was being used for the printing and distribution of Bolshevist propaganda in Western Canada at that time, and very largely contributed to the discontinuance of the unsatisfactory situation that existed there. I want to say that it is true that the United Mine Workers' organization, over a period of about forty years, has never willingly broken an agreement, and that a man like Mr. Lewis-who in the United States has under his control between one and two million members of that organization, who with their dependents represent half as many people as are in the whole Dominion of Cannada, and are made up of some eighteen nationalities, because I believe their literature is printed in eighteen different languageshas a tremendous task on his hands; and that the capacity and influence of the United Mine Workers' organization in the United States is one of the best guarantees that the public has against serious disturbances in the mining industry from time to time; and that that control over such a cosmopolitan population, composed very largely of illiterate men, is an influence that is wholly to the good, a fact which, generally speaking, is recognized by the people of the United States. I therefore think that the words of my honourable friend, which would seem to imply that the entrance into Canada of a citizen of the United States of that type is not desirable, ought to be corrected.

Let me state why I feel so strongly on the subject. The few coal miners in the Dominion of Canada are a mere drop in the bucket when compared with those in the United States, and Mr. Lewis has no particular interest, beyond his interest in that class of men, in the Canadian situation. Let me refer to an analogous case on a much smaller scale. It happens to be my humble duty to serve a certain class of railway employees in Canada, and in addition to all the railroads in Canada there are four railway lines in the United States that come under my care so far as the relations of the men and the companies are concerned. What would I think or feel if the United States railroad managers with whom I deal, and with whom I have the most pleasant and friendly

relations, were to have someone get up in the Congress at Washington and say that Robertson and men like him ought to be deported when they cross the line?

Hon. Mr. DANDURAND: Does the honourable gentleman occasionally cross the line?

Hon. Mr. ROBERTSON: Frequently.

Hon. Mr. DANDURAND: Then, why did he object to the Prime Minister crossing the line for his health?

Hon. Mr. ROBERTSON: I did not object.

Hon. Mr. DANDURAND: No?

Hon. Mr. ROBERTSON: Nobody ever heard me object to his crossing the line.

Hon. Mr. DANDURAND: I thought the honourable gentleman had made a speech criticizing the Premier. I am glad the honourable gentleman has had an opportunity to disprove what was stated, I think, in the Gazette—that the honourable gentleman made a speech in Montreal reproaching the Prime Minister with crossing the line—at the very time when his friend to his right (Hon. Sir James Lougheed) was in the United States, as was also Sir Robert Borden.

Hon. Mr. ROBERTSON: I did make the remark that one might observe that the Prime Minister had left Canada during the budget debate of 1924, and that the debate was postponed for several days owing to his absence, and that just now, when it was going on again, he was absent in the United States. I did not criticize him.

Hon. Mr. DANDURAND: That did not prolong the debate.

Hon. Mr. ROBERTSON: What I wanted to point out in this connection, when my honourable friend so very nicely tried to divert the attention of the House from the seriousness of it, was that it is very unsatisfactory that public men in either country should make such depreciating remarks in reference to respected citizens of either country when their official activities take them outside of their own country. The same argument might be used in reference to many financial men and kings of industry who have big interests in this country. All boiled down, the thought the honourable gentleman has left in my mind is that if he, who is a director of that great corporation, feels so intense an antagonism towards the workmen and men like Mr. Lewis, how in the world can anybody ever hope that an understanding or agreement can be brought about whereby others who are the subjects of these feelings can get along amicably? I do again urge upon the Government that it ought not to abandon the effort to find some way by which a feeling of confidence might be restored and a renewal of negotiations be brought about.

If this deadlock continues for the next two or three months, the summer season will have advanced, and, as Mr. Wolvin, the president of the Besco, very properly says, if these men are kept out of employment by reason of the continuation of this struggle for the summer months, and there is very little to do during the winter because of the small production of coal, the men are going to suffer. Thus the results that should flow from the good intentions and efforts of the sympathetic public may not be of as much assistance as the suffering people have the right to expect. It is very important, therefore, that no time be lost in trying to break the deadlock, and starting some method by which the adjustment of this deplorable situation may be brought about.

Hon. N. A. BELCOURT: Honourable gentlemen, I had no intention of taking part in this debate, but I crave the leave of the House, as my honourable friend did, for just a few moments. I cannot subscribe to nor can I by silence acquiesce in the extraordinary doctrine to which we have just listened, and which my honourable friend loses no opportunity to ventilate in this House.

The honourable gentleman speaks of Mr. Lewis, of whom I know nothing, and for whom I care nothing. I am not going to say a word against him, except as to his coming to this country and fulfilling what my honourable friend is pleased to call official duties in regard to a strike in one of our Canadian industries. I say that neither Mr. Lewis nor any other member of a union-Mine Workers, or Internationale, or any other-has official duties to perform in Canada with regard to strikes or industrial troubles of any sort. For my part, I feel that Canada owes no thanks whatever to those other three gentlemen of whom my honourable friend spoke as having gone to the West and stopped, as we are now told, Bolshevic propaganda. That is a matter for Canada and Canadians to look after. I do not think we ever delegated or endeavoured to delegate to anybody outside of Canada the task of looking after any breach of our laws. I do not think that any of the United Workers, or any delegates from them, have any business to come to Canada and do anything of the sort, and certainly they are not entitled to any credit.

My honourable friend's usual attitude in regard to these matters has a most erroneous basis. It is founded on an utterly false principle, which is, that these societies, whatever they are in the United States or in Europe, have a right to come to Canada, and should be welcomed here and allowed to deal with our industrial troubles. I most strongly object to any doctrine of that kind being preached in Canada. I say such delegates have no business here.

Not many years ago, while I was a member for Ottawa in the House of Commons, a walking delegate, as I think they called him, turned up here, and in 24 hours he had all of the employees of the Printing Bureau, a Government institution, out on strike, and for three full weeks that man held the Government of Canada at bay.

My honourable friend goes on, year after year, every time he gets an opportunity, to suport that sort of thing. What had Mr. Lewis to do in this country? True, my honourable friend says that he had been invited. That may be an excuse, but not a justification. And who are those other three men spoken of by my honourable friend, and the other numerous walking delegates and strike promoters, who come from the United States to Canada? I do not care what union or what society they belong to: not only have they no official right or duty to be in Canada, but I say they have no right whatever to be here. Their coming is purely and simply an interference on the part of a citizen of another country in purely domestic questions in this country. I protest, as solemnly as I can, against that kind of doctrine being preached, especially in this Senate. I could understand, but certainly not justify, that some member of Parliament, from personal motives, might go out to the voters and talk to them in that way, but I protest that such views should not be preached, especially in this House.

I repeat that it is absolutely wrong, absolutely unjustifiable, against the law of nations, and against international law, to have this kind of agitation promoted from abroad or actually carried on in person by the people who preach these doctrines, and for my part I cannot sit here quietly, but must make my solemn protest.

I know of this very unfortunate trouble in Nova Scotia, from what my honourable friend and other gentlemen in the House have stated. I deplore the situation as much as anyone, and I, do hope that the matter will find an adjustment at an early date. I did not rise for the purpose of discussing that situation, because as far as sympathy goes I share entirely my honourable friend's views.

Hon. Mr. BELCOURT.

What I dissent from most strongly, and what I consider it the duty of some of us to rise and protest against, is the preaching of such doctrines in this House.

Hon. Mr. ROBERTSON: I crave the courtesy of asking my honourable friend a question. If a group of shareholders in any industrial concern in this country engaged a gentleman from the United States to operate their business and manage it, does my honourable friend say that should not be done?

Hon. Mr. BELCOURT: I made an exception. I said that possibly in that case Mr Lewis might have been justified, but this is one instance out of dozens of the same kind that I could mention where there was no invitation of any sort. My honourable friend mentioned three gentlemen who went to Alberta, I think he said, without any kind of invitation, and without the slightest excuse. They went there of their own free will to do certain things. It is against these constant acts of interference of United Mine Workers or other unions in the United States and Europe, that I protest. It is nothing new. I mentionel the Internationale. My honourable friend knows that its members are interfering in every country in the world; they are poking their noses everywhere, trying to have their doctrines prevail, and they pretend that they can go from one country to another, cross all the boundaries of Europe, come over to this city and take part and tell the people what they must do-holding the Governments at bay, as I said.

The discussion concluded.

LEAGUE OF NATIONS PROTOCOL MOTION FOR RETURN

The Senate resumed from April 29 the adjourned debate on the motion of the Right Hon. Sir George E. Foster:

That an humble address be presented to His Excellency the Governor General; praying that His Excellency will cause to be laid before the Senate a copy of the Geneva Protocol, of the report thereon submitted by the committees of the fifth Assembly of the League of Nations, and of the proceedings of the said Assembly detailing the discussion and action taken in regard thereto, and copies of all correspondence between the Government of Canada and the Government of Great Britain or any members thereof, in relation thereto.

Hon. F. L. BEIQUE: Honourable gentlemen, at the outset I desire to say that in my appreciation the honourable Leader in this House, in his address on the 29th of April, clearly showed that the Canadian Government properly discharged its duty to the country in refusing to submit the Protocol to Parliament for ratification. The cable of the Prime Minister to the Secretary-General of the League on the 9th of March, 1925, could not have been better worded, and in my humble judgment left no room for dissent. It expresses admirably the attitude which the Dominion of Canada, as a member of the League, should maintain on the question.

First-that Canada should continue to give wholehearted support to the League of Nations and particularly to its work of conciliation, co-operation and publicity.

Second—that we do not consider it in the interests of Canada, of the British Empire or of the League itself to recommend to Parliament adherence to the Protocol and particularly to its rigid provisions for application of economic and military sanctions in practically every future war. Among the grounds for this conclusion is the consideration of the effect of the non-participation of the United States upon attempts to enforce the sanctions and particularly so in the case of a contiguous country like Canada.

Third-that as Canada believes firmly in the submission of international disputes to joint inquiry or arbitration, and has shared in certain notable undertakings in this field, we would be prepared to consider acceptance of the compulsory jurisdiction of the Permanent Court in justiceable disputes with certain reservations, and to consider methods of supplementing the provisions of the Covenant for settlement of non-justiciable issues, including method for joint investigation, reserving ultimate decision in domestic issues and without undertaking further obligations to enforce decisions in case of other states. Fourth-that Canada would be prepared to take

Fourth-that Canada would be prepared to take part in any general conference on reduction of armaments which did not involve prior acceptance of Protocol.

The economic sanctions referred to, to be effective, would have to be applied against the Covenant-breaking nation, at least by all the great Powers; otherwise, so long as the nation against which the sanction was applied could carry on commercial relations with such a great power as the United States, the blockade would lose most of its importance, and might involve Canada and other nations of the British Empire in serious difficulties with the United States.

In the course of the debate which took place in England, the attitude of the Canadian Government on the Protocol was approved by several of the speakers, and not criticized by any. The late Prime Minister, Mr. J. R. MacDonald, after criticizing the speech of Mr. Austen Chamberlain at Geneva, said: "The Canadian resolution was much more hopeful and much more helpful." The right hon. Herbert Fisher said:

I could have wished that he (Mr. Austen Chamberlain) had found it possible to have adopted the attitude which was taken by the Canadian Government, which in a very shorter despatch evinced what I regard as being a large measure of sympathy, and showed itself willing to consider further certain aspects of the Protocol with a desire to give them due weight, and, if possible, to see whether any advance could be made in the direction indicated. The Government of Canada professed itself willing to consider further

Clause 3 of the Protocol, under which the member states are invited to accept the jurisdiction of the Permanent Court of Justice in the case of justiceable disputes; and professed itself willing to consider, further, whether it was not possible to expand or to amend the provision of the pact dealing with nonjusticeable disputes.

Attempts have been made to justify the acceptance of the Protocol on the ground that, by Article 10 of the Covenant, Canada has undertaken with the other Members "to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League." I suggest that the extent of the obligation arising from that article has been defined by all the members of the League who, except Persia, voted in favour of the following resolution at the Assembly of September 25th, 1923:

The Assembly, desirous of defining the scope of the obligations contained in Article 10 of the Covenant so far as regards the points raised by the Canadian Delegation, adopts the following resolution.

It is in conformity with the spirit of Article 10 that, in the event of the Council considering it to be its duty to recommend the application of military measures in consequences of an aggression or danger, or threat of aggression, the Councils shall be bound to take account more particularly, of the geographical situation and of the special conditions of each State.

It is for the constitutional authorities of each member to decide in reference to the obligation or preserving the independence and integrity of the territory of Members, in what degree the member is bound to assure the execution of this obligation by employment of its military forces.

The recommendation made by the Council shall be regarded as being of the highest importance and shall be taken into consideration by all the members of the League with the desire to execute engagements in good faith.

In my opinion, the fact that the resolution was not declared carried because of the adverse vote of Persia, will cut no figure, and in all cases it will be for the constitutional authorities of each member to decide whether help shall be given, and to what extent it shall be done. I am confirmed in this by the debate on the Protocol in the House of Commons in England on March 24th, 1925, when everybody seemed to agree that in case of attack by Germany on its western front against France, it would be the duty of England, because of its common interest with France, to intervene and support the latter, but that England could not be expected to intervene in cases of attack by Germany on its eastern frontier. In the first case, Articles 42, 43 and 44 of the Treaty of Versailles, dealing specially with the western frontier, would be respected, but in the latter case, Article 10 of the Covenant, although of general application, would be ignored. I confess my disappointment at this distinction. I would have hoped that England and France would have stood firmly together for

the enforcement of the Treaty of Versailles and Covenant, at least as far as Europe is concerned, where, I believe, their interests are identical, irrespective of frontiers. If Germany were allowed to extend its eastern frontier to include all peoples speaking the German tongue, as may be its ambition, it would mean, I am afraid, the annihilation of Austria, Poland and other newly created nations, and make Germany so strong that France and England could not then prevent a like extension of its western frontier. When all are agreed that the battle of the Marne was a miracle, in the absence of which both France and England would have been left at the mercy of Germany, I cannot understand that for any consideration whatever they would open the door to the possibility of a new European war.

The common interest between Great Britain and France is obvious, and seems to be admitted by everybody. Mr. Austen Chamberlain in his address on the Protocol, on the 24th of March, after referring to past wars and to the necessity of preventing, in his own words, "One great military Power dominating Europe, and at the same time dominating the coast of the Channel and the ports of the Low Countries," proceeds to say:

This is an issue which affects our security. It is an issue which we have never shirked and never can afford to shirk.

He then gives the following text of Articles 42, 43 and 44 of the Treaty of Versailles:

42. Germany is forbidden to maintain or construct any fortifications either on the left bank of the Rhine, or on the right bank to the west of a line drawn 50 kilometres to the east of the Rhine.

43. In the area defined above the maintenance and assembly of armed forces, either permanently or temporarily, and military manoeuvres of any kind as well as the upkeep of all permanent works for mobilisation are, in the same way, forbidden.

44. In case Germany violates in any manner whatever the provisions of Articles 42 and 43 she shall be regarded as committing a hostile act against the Powers signatory of the present Treaty and as calculated to disturb the peace of the world.

He adds:

We have, therefore, a direct Treaty of obligation. The peace of the world and the peace of the British Empire depends upon the observance and maintenance of that Treaty.

Faith in the Treaty of Versailles, and the determination of Great Britain to help France in protecting its western frontiers against Germany, could not have been expressed in stronger terms, and in thus speaking, Mr. Chamberlain was no doubt expressing the opinion of the House of Commons and of the people in England.

So far, the execution of the Treaty of Versailles will have proved for France a most Hon. Mr. BEIQUE.

cruel operation. First of all, it was in a very large measure the making of the late Woodrow Wilson as President of the United States and accepted by France on the assumption of course that, the Treaty and the covenant would be ratified by all the Allies, except Russia, and with the promise of a tripartite treaty between Great Britain, France and the United States, as a guarantee that France would not be again attacked by Germany. Second,-the United States Congress refused to ratify the Treaty of Versailles and the Covenant, and because of that action on the part of the United States. Great Britain withdrew from the tripartite treaty. Third, -France was strongly pressed, especially by the United States, to attend the Disarmament Conference at Washington, to be told there in a rather summary way the tonnage (500,000 tons) of large warships which was considered by Great Britain and the United States respectively as necessary for their own security, and what tonnage she (France) would be allowed (300,000 tons). I need not qualify the proceeding, especially on the part of the United States. Fourth-a campaign, exceedingly well organized the world over, against the so-called French militarism was used against France for the purpose of forcing upon her repeated large concessions as regards reparations indemnities. Fifth,-Germany received throughout from some of the Allies a moral support which made it possible to organize and effect its fraudulent bankruptcy. Sixth,-Deprived as she was of the support of both Great Britain and the United States and threatened to be left standing isolated in face of a powerful Germany entirely freed of all exterior and domestic debts, France felt the necessity of making for its own protection defensive treaties with Poland and Czecho-Slovakia, both members of the League of Nations, whose territorial integrity and political independance are under the protection of the League; which treaties she is now called upon to denonuce if she is to obtain a treaty of alliance with Great Britain against atacks from Germany on its western frontier. Leaving Poland and Czecho-Slovakia at the mercy of Germany would be, on the part of France, a disgraceful action, which I am sure she will not do, and it would but encourage Germany to disregard the Treaty of Versailles.

I am satisfied that France has but one ambition, that of doing all in its power to insure the peace of Europe, which implies its own security, and I have too much faith in the fairness and sound judgment of the English people to think that they will not

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do what is necessary on their part to attain that object.

I find an additional hope in the fact that on reading the whole of the debate in the House of Commons in England, all the speakers except Mr. Lloyd George—who took another occasion to stultify himself—gave striking expressions of friendly feeling towards France and a fine appreciation of the support to which she is entitled.

Further, I cannot conceive that the United States will not realize the grave moral responsibility resting upon them for having withdrawn their support from the Treaty of Versailles and the Covenant.

In closing these remarks, let me borrow the fine peroration of Mr. Austen Chamberlain and apply most of his words to the great Republic to the south of us:

Sir, the statesmen of this country have some responsibility. Our policy, not wholly through our own fault, has been wavering and inconsistent. Our influence-no one can move as I have done amongst the statesmen of Europe, and of more than Europe, and not feel it—has lost something by our hesitation and our inconsistency, but a new chance is coming to us. I see in these proposals the possible dawn of a better day. Without our help nothing will be done. Without our help we shall march surely though slowly to new disaster. With our help the war chapter may be brought to a close, and a real triumph of peace may begin. The British Empire, detached from Europe by its Dominions, linked to Europe by these islands, can do what no other nation on the face of the earth can do, and from east and west alike there comes to me the cry that, after all, it is in the hands of the British Empire, and if they will that there shall be no war there will be no war.

The motion was agreed to.

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

THE SENATE

Thursday, May 14, 1925.

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

Prayers and routine proceedings.

THE PRINTING OF PARLIAMENT

On the third report of the Joint Committee of both Houses on the Printing of Parliament:

Hon. SMEATON WHITE: I wish to advise the honourable leader of the Government that the Joint Committee on Printing have considered paragraph (a) of section 10 of Bill No. 41, regarding the re-publication of Statutes. This Committee understand that they have statutory authority controlling the distribution of Parliamentary printing, and, in view of this, that when the Statutes are printed this matter will be referred to them S-17 and distribution of volumes to both Houses of Parliament be under their direction.

Hon. Mr. DANDURAND: So I understand that the Committee has no objection to the Bill as, proposed?

Hon. Mr. WHITE: No, because we understand that the Statute already provides us with power to make that distribution.

SUPREME COURT OF NOVA SCOTIA

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Is the vacancy in the Supreme Court of Nova Scotia caused by resignation of Mr. Justice Russell, effective October 5th, 1924, filled; and if so, who is appointed?

2. Is the Government aware that another vacancy was caused in April of this year by the death of Mr. Justice Ritchie? Is appointment made to fill this vacancy? Who?

3. If no appointment to either vacancy is yet made, is this because the Government is unable to obtain the consent of a person or persons willing to accept appointment?

4. Why are appointments deferred?

Hon. Mr. DANDURAND:

1. No.

2. The Government has been informed that Hon. Mr. Justice Ritchie died in Bermuda on April 21 last. No appointment has yet been made.

3. No.

4. Appointments will be made without undue delay.

PRIVATE BILL

THIRD READING

Bill 33, an Act respecting the Restigouche Log Driving and Boom Company.—Hon. Mr. Robinson.

GOVERNMENT ANNUITIES BILL THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 71, an Act to amend the Government Annuities Act, 1908.

He said: Honourable gentleman, I desire to answer the right honourable gentleman (Right Hon. Sir George E, Foster), who asked for some information which I had not at hand when the Bill was in Committee. The Annuities Branch was transferred from the Department of Trade and Commerce to the Post Office Department on January 1st, 1912, in order, as was explained at the time by the right honourable gentleman, who was then Minister of Trade and Commerce, to utilize the post offices and the post office system for the better and more economical administration of the Act. In May, 1922, the Annuities Branch was transferred to the Department of Labour in the belief that greater progress would be made. Since the Branch has been connected with the Department of Labour, the business has shown a steady increase, as follows:

		Fiscal year	No. of new annuities issued	Receipts	
Under	Post Office Dept	1921-22	277	\$ 748,159	73
Under	Labour Dept	1922-23	339	1,028,353	07
	Labour Dept		409	1,459,042	41
	Labour Dept		488	1,607,989	58

The facilities of the Post Office Department are still being utilized to as great an extent as formerly.

The Finance Department, to which it would seem the Annuities Branch should naturally be attached, did not wish, owing to the large increase in work occasioned by the late war, to increase its responsibility by having the Annuities Branch attached thereto.

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

DIVORCE BILLS

SECOND READINGS

Bill Q3, an Act for the relief of Lillian Rebecca Mains .- Hon. Mr. Haydon.

Bill S3, an Act for the relief of Elizabeth Ruth Badgley Shaw.-Hon. Mr. Blain.

Bill T3. an Act for the relief of Lillian Helena Caldwell.-Hon. Mr. Blain.

Bill U3, an Act for the relief of Elizabeth Strachan Reid Harvey Strachan.-Hon. Mr. Blain.

Bill V3, an Act for the relief of Esther Charlotte Ancel.-Hon. Mr. Blain.

PRIVATE BILLS

SECOND READINGS

Bill R3, an Act respecting The Calgary and Fernie Railway Company.-Hon. Mr. Haydon.

Bill W3, an Act to change the name of "The Dominion Woman's Christian Temperance Union" to "Canadian National Woman's Christian Temperance Union."-Hon. Mr. Robertson.

CANTEEN FUNDS BILL SECOND READING

Hon, Mr. DANDURAND moved the second reading of Bill 32, an Act respecting the disposal of the Canteen Funds.

He said: Honourable gentlemen, it will be remembered that this Bill was before the Senate last Session. Perhaps the memory of Hon. Mr. DANDURAND.

my colleagues is better than my own. I do not remember whether we postponed the whole Bill or amended it, or whether amendments made by us were not concurred in. However, it does not matter. The same Bill, practically, is before us this Session. I know of few changes that have been made. There is provision for the Yukon Territory which may not have been in the last Bill. At any rate, we will examine the proposed measure minutely when it comes before the Committee. It may be well that the Senate should hear the official statement as to the Canteen Fund, which is to be found in the preamble of the Bill:

Whereas certain profits have accumulated from the operation of canteens during the late war and from other sources; and whereas more particularly these profits represent (i) the share allotted to the Canadian Expeditionary Force of the profits made by the operation of canteens under the control of the British War Office, (ii) the profits made by the operation of canteens under the control of various units of the Canadian Expeditionary Force overseas, (iii) the share of profits allotted to the Government of Canada for division among Canadian war charities by the War Office Cinematograph Committee arising from the profits made by such Committee from the exhibition of pictures taken in the area of active operations, (iv) the share allotted to the Royal Canadian Navy by the Admiralty; and whereas, there is now in the hands of the Receiver-General for Canada the sum of \$2,350,000 more or less, representing the said allottments and profits together with interest thereon; and whereas through the intervention of His Excellency the Governor General a special allotment of £5,000 has been made by the Council of Management of the United Services Fund from the share of the Canteen Funds allocated to the United Kingdom, for the benefit of ex-Imperial soldiers and their families resident in Canada with a request that it be administered as it may be determined by the Government of Canada; and whereas it is desirable that distribution of these amounts be made so that ex-members of the forces and their dependents may benefit thereby-

No satisfactory scheme was found for the distribution of these funds to the returned soldiers. If I am not mistaken, a poll or referendum was had, but the answers were so unsatisfactory that the Government remained without any mandate.

It is now proposed to establish a central Board of Trustees, and to divide practically the whole amount in proportion to population, to be administered and distributed by provincial Boards of Trustees. This, in the large, is the scheme. I will not go more minutely into the details of the Bill, because it would practically involve the reading of all the clauses. I desire simply to say, in order that the Senate may at this stage know exactly the situation, how the Canteen Fund has been administered since it crossed the Atlantic and reached the Federal treasury.

The present Government has not disposed of any moneys belonging to this Fund since

it was sworn in, that is, the 29th December, 1921. This Fund remains to-day what it was at that date plus the accumulation of interest. It is in the hands of the Receiver General. The moneys paid out of the Canteen Fund were so paid by the former Administration by Orders-in-Council dated, respectively: July, 1921, \$50,000; September, 1921, \$20,000; September, 1921, \$12,500; October 17th, 1921, \$120,000, making a total of \$202,500. An amount of \$4,175.10 was not expended; so that the total of moneys paid out and expended under the above Orders in Council was \$198,-These amounts were paid to various 324.90. soldiers' organizations throughout the country.

There was a reference to the Disablement Fund, and I stated that I would try to obtain some information to lay before the Senate. These matters will all be ventilated in the Committee, but I think I should be allowed to make the following statement concerning the Disablement Fund. This Fund was not contributed by the returned men. It was originally collected for the purpose of buying machine guns. Later, as the Government undertook this service, the money was left in the hands of the trustee by the Minister of National Defence, pending a decision as to what could be done with it in the interest of the returned men. A report which was made by the trustee, Mr. E. H. Scammell, under date of March 7th, 1925, relates the complete history of the Disablement Fund.

The principle of advancing some money for the maintenance of an Adjustment Bureau in Ottawa was recognized by the House of Commons in 1923, when an appropriation in the Supplementary Estimates was voted for the partial refunding of expenses incurred by soldiers' organizations in the discharge of such duties as adjustment of claims. Out of that appropriation \$5,000 was paid back to the Disablement Fund at that time, to cover a loan of the same amount made to the G.W.V.A. some weeks earlier. As to 1924 and 1925, three loans were made by the trustee, Mr. Scammell, to the G.W.V.A. or to the Dominion Veterans' Alliance, of \$5,000 each, for the same purpose, out of the Disablement Fund. The principal contributor to the Disablement Fund was Mr. James Carruthers of Montreal.

Correspondence which was laid on the table of the House of Commons during March last, exchanged between the Minister of S.C.R. and Sir Arthur Currie, discloses that Sir Arthur Currie had consulted with Mr. James Carruthers on the subject of advancing some money from the Disablement Fund for the maintenance of an Adjustment Bureau. Sir Arthur Currie, in a letter addressed to the Prime Minister under date of May 7, 1923, conveys the complete assent of Mr. James Carruthers to the money of the Disablement Fund being used for the maintenance of an Adjustment Bureau.

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Hon. Mr. GRIESBACH: May I ask whether that letter is on file, and brought down in reply to my request?

Hon. Mr. DANDURAND: I do not know whether it was asked for by the honourable gentleman, but I think I have under my hand copies of that correspondence. I need not file it here, but I will put it in the hands of the honourable gentleman, or produce it at the first meeting of the Committee.

Accordingly, three payments of \$5,000 were made—the first to the G.W.V.A., and the two last to the Dominion Veterans' Alliance. The Minister's intention was that these payments should be made to the Dominion Veterans' Alliance. The Order in Council relating to this loan of \$15,000 was passed after the first payment was made, the Minister at that time being unaware that the first payment had been made to the G.W.V.A. As will be seen in the Memorandum made by the Trustee, Mr. E. H. Scammell, the latter considered that he was not exceeding his rights as Trustee in issuing the loan.

Sir Arthur Currie has, on three different occasions, in correspondence which has been laid on the Table of the House of Commons, represented to the Government the importance of maintaining the Adjustment Bureau. The moneys from the Disablement Fund, without any loan provision for repay-ment could have been placed by Order in Council at the disposal of an Adjustment Bureau. The provision made in the Order in Council is only with the object of securing a repayment of those moneys advanced by the trustee, on account of a practice which had been established by the trustee; and it was represented that, as the Canteen Funds Bill-not rejected, but delayed by the Senate -made provision for the setting aside of \$100,000 to maintain an Adjustment Bureau. and the Trustees in charge of that amount of money would be requested to reimburse the Disablement Fund Trustee.

I think it opportune to make this statement, but of course all these matters will be examined into before the Committee.

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

REFERRED TO COMMITTEE

Hon. Mr. DANDURAND: As we have already voted for sending the Pension Bill

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to a Special Committee, I would move that this Bill be referred to the same Committee.

Hon. Mr. GRIESBACH: Before the motion is put, I think it desirable that a statement should follow the one just made by the leader of the Government with respect to these two funds. The essential point of difference between these funds is that the Canteen Fund comes to Canada from the Canteen Board in England, and the Government of Canada are the trustees of that fund, without a trust beyond the fact that the money was contributed to by Canadian soldiers and belongs to Canadian soldiers. On the other hand, the Disablement Fund was primarily contributed by Mr. Carruthers to a certain amount, supplemented by contributions from a large number of people all over Canada, and the Government appointed Mr. Scammell to be the trustee of that fund; so here you have a fund with a trustee-an individual.

Hon. Mr. DANDURAND: Is the honourable gentleman very sure that it was the Government which appointed Mr. Scammell as the trustee? Was it not Mr. Carruthers himself?

Hon. Mr. GRIESBACH: The Minister of that day appointed him—and he was the Government in the premises. So you have a fund contributed by a number of persons, and you have a trustee. The nature of the trust, in the absence of a formal document, must necessarily be drawn from the correspondence passing between all parties. That, for a time, did constitute the trust, I submit, until the trustee himself prepared a memorandum setting out the nature of the trust, and submitted that in a circular-letter to all contributors. Thereupon the trust became more or less fixed; and the trust provides that this money shall be used for disabled soldiers.

With respect to the Canteen Fund, the Government itself is the trustee without a trust document. The Government of 1921 was certainly not at fault; they did not do anything wrong in advancing these sums of money to whomsoever they saw fit. My complaint is that the persons who got the money did not spend it as the Government thought they were going to spend it; and that will be the subject of the inquiry.

With respect to the Disablement Fund, the situation is otherwise. There you have a trust and a trust document, and according to that document the money in the hands of the trustee is to be used for the benefit of disabled men; and I submit that the Government had no right to procure the trustee—for that is what it amounts to—to make a loan not in accordance with the trust.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: The honourable gentleman has not failed to notice that the Government declares that the trustee was the sole judge as to the propriety of making that advance of \$15,000, and that it intervened solely for the purpose of seeing to the reimbursement of that fund from moneys that really belonged to the soldiers, that is, the Canteen Fund.

It will be for the Committee to pass upon that contention, and to see to what extent the Government was right in expecting that it would be supported by Parliament in the reimbursement of the Disablement Fund by that \$15,000. So far it has had the endorsation of the House of Commons, and the matter is now before the Senate.

Hon. Mr. GRIESBACH: The honourable leader's present statement is scarcely in accordance with the answers laid upon the Table previously—that the trustee himself desired to make this loan in the particular way in which it was made. However, as the honourable gentleman says, the whole matter will be discussed before the Committee, and then we shall all know where we are.

The motion referring the Bill to the Special Committee aforesaid was agreed to.

PUBLIC SERVICE REARRANGEMENTS AND TRANSFERS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 43, an Act to amend the Act to authorize Rearrangements and Transfers of Duties in the Public Service.

He said: This Bill is of very small importance, but it is suggested by the Statute Revision Commission that it should be introduced. In some of the departmental Acts, as, for example, the Department of Agriculture Act. R.S., chapter 67, where transfer of duties is specially authorized, there is a clause corresponding to the one introduced by this Bill for substituting the Minister and officials of the department to which the transfer is made for the Minister and officials of the transferring department, and to avoid duplication and for the quieting of any doubts as to such substitutions in the case of the departments not specially provided for, it is suggested on behalf of the Statute Revision Commission that the provision for substitution should be made general by incorporating it in the general Act. So the following section is introduced:

Whenever under the provisions of this Act, or under any other lawful authority, any power, duty or function, or the control or supervision of any part of the public service is transferred from one Minister of the Crown to any other Minister of the Crown, or from one department or branch of the public service to any other department or branch of the public service, the Minister, department or branch to which the power, duty, function, control or supervision is transferred, and the appropriate officers of that department or branch, shall, in relation thereto, be substituted for and shall have and may exercise the respective powers and duties which formerly belonged to or were exercisable by the Minister, department or branch and the respective officers of the department or branch from which the power, duty, function, control or supervision is so transferred as aforesaid.

This means that if one branch or department is transferred to another, the staff of that branch or department will come under the jurisdiction and control of the head of the Department to which it has been transferred.

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

ST. JOHN AND QUEBEC RAILWAY BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 110, an Act to authorize an extension of time for the completion of The Saint John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B. He said: Honourable gentlemen, this Bill has simply for its object the extension of the time for the completion of this railway until the 31st December, 1927.

Hon. Sir JAMES LOUGHEED: Is this line part of the National System?

Hon. Mr. DANDURAND: I do not believe that it is, but I will give the information to my honourable friend at the Committee stage.

Hon. Sir JAMES LOUGHEED: Would my honourable friend at the same time furnish us with information as to the source of the funds for the completion of this road?

Hon. Mr. DANDURAND: I will give all that information to my honourable friend in the Committee.

Hon. Mr. DANIEL: I may say that this line has been built entirely by the province of New Brunswick, and if it is extended to the point where it was intended to go the Province will complete it. Whether it will get any aid from this Government or not I do not know, but the line has been built and is owned by the Province of New Brunswick.

Hon. Sir JAMES LOUGHEED: It is operated by the Government of Canada, is it not? Hon. Mr. DANIEL: It is operated at present by the Canadian National System on certain terms; I think the province gets 40 per cent of the receipts, and the C.N.R. gets the other part.

Hon. Sir JAMES LOUGHEED: That is, if anything is left.

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

MIGRATORY BIRDS CONVENTION BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 44, an Act to amend the Migratory Birds Convention Act.

Hon. Mr. McMeans in the Chair.

Sections 1 and 2 were agreed to.

On section 3-no one to buy, sell, or possess birds, etc.:

Hon. Mr. GRIESBACH: May I ask the Leader of the Government a question? My recollection is that when the Migratory Birds Convention Act was first brought in, the statement was made to the House that it was based upon some treaty with the United States as to treatment of the same birds when in that part of the world. I was wondering whether my recollection is correct or not. and whether the Leader of the Government could tell me what action was taken by the United States-if the United States can 'take action-to protect these birds, after we have protected them, or whether, after we have protected them and grown them, the sportsmen down there have the benefit of this. I should like to have my memory refreshed on that point.

Hon. Mr. DANDURAND: I have not the information at hand, but I will procure it before the third reading.

Hon. Mr. GRIESBACH: I do not care to hold up the proceedings at this stage, but I may say that many sportsmen in our country feel that we grow these birds and preserve them for the southern sportsmen to kill.

Hon. Mr. DANDURAND: I suppose that when these birds migrate to the south they do like many other Canadian emigrants, and return with their increased families.

Hon. Mr. GRIESBACH: They have their families in this country. The analogy still continues.

Section 3 was agreed to.

The preamble and the title were agreed to. The Bill was reported without amendment

CHANGING THE CANADIAN CONSTITUTION

PROPOSED RESOLUTION

The Senate resumed from April 29 the debate on the motion of Hon. Mr. Turgeon;

That, in the opinion of the Senate, it is inexpedient that any change take place in the Constitution of Canada as established by the British North America Act and amendments thereto, as set forth in the Speech from the Throne at the opening of the present session of Parliament, without the unanimous consent of the Provinces affected by such change to be expressed by the Legislatures of the respective Provinces.

Hon. W. B. ROSS: Honourable gentlemen, I think I can promise you that my remarks on this matter will not be very long. I do not intend to traverse the ground that was so well covered by the two members who have already spoken on this question. Both the mover (Hon. Mr. Turgeon) and the honourable member from Granville (Hon. Mr. Chapais), in the speeches they have made, have shown, I think, a great deal of industry. The speech of the honourable member from Granville must have involved an immense amount of labour, and it will always be, I think, a valuable record of this House.

I do not think he at all exaggerated the work done by this House; if anything, he erred on the other side. There are perhaps one or two things that have been well done by the Senate that I do not think he mentioned—he probably was not in the House at the time. If you go over the work of this House from time to time and check up the work done by its honourable members, I think you will find that it has nothing to be ashamed of in the part that it has taken in the legislation of Canada.

I understand that the honourable gentleman from Granville first makes the point that we have done important work, and, secondly, that the existence of the Canadian Senate is a part of the Convention or Treaty which is embodied in the British North America Act. He refers us back to what took place at what is called the Quebec Convention. That I have been over before in a Committee of this House. Some reference is made to the speeches and resolutions that were passed at that Convention, and I am quite certain that the honourable member is quite correct in his allegations of what took place at that Convention, and that the existence of a nominated Senate representing the different Provinces was a sine qua non of Confederation-that if that principle had not been accepted there would have been no Confederation; and that, if that Treaty is to be changed to-day without the consent of every Hon. Mr. GRIESBACH.

Province that was then a party to it, Confederation would necessarily go with it. You may say: "Let it go at that. If you have a gathering of the different Provinces who consent to this matter, it is for them to say; if there is one Province that stands out against a change, the thing would be a nu'lity." From one point of view I would be content to leave the thing at that and to await the doings of the proposed conference, which seems to be a sort of masterly retreat from a bold declaration of war that was made on the prairies with regard to this House. I say I would be almost content to leave it at that; but there are one or two points in regard to this House that I think it would be well to refer to. Because there are two things that may happen-either you may have this House abolished altogether, or you may have its powers modified.

It is important to see just what part this House plays in the legislation of this country, not only from the point of view referred to by the honourable member from Granville, in amending legislation, but in blocking or determining legislation that might be carried by a single unchecked House, and that might be disastrous to this country.

I will refer very shortly to the history of three single chambers, and I think I will make it pretty clear just what might happen, and almost necessarily would happen in Canada if the Senate were abolished. If you look at the constitutions in the United States, you find that the National Government consists of two houses and a President, with a written constitution. The President has a veto, which is liable to be overridden by a two-thirds vote of the houses; but if they travel outside the Constitution, the Supreme Court of the United States puts them right. That is the way the matter stands in the National Government. When you go to the State Governments, you find that without exception they have two houses and a Governor, and the situation is tempered by a clause in the National Constitution that a State Legislature cannot interfere with a contract. Any attempt on the part of a State Legislature to violate a contract or wipe it out of existence would be declared unconstitutional by the Supreme Court of the United States. That is an important thing to remember. Besides that, the Governor-of the State of New York, for instance-has thirty days in which he may veto any Act that has been passed by the Legislature. From that you will see the way in which legislation is surrounded in the United States, and that they are thoroughly conservative in that respect. They have tried

single chambers in the United States. Pennsylvania tried a single chamber and found that it would not work. As one man put it, one part of the government was wanting. It was like a watch; if you subtracted one piece from it it would not keep time. Georgia tried it and abandoned it, and Vermont tried it and abandoned it.

There is one very great difference between our Constitution and the constitutions in the United States: that is, the office of the Governor General and the veto. In olden times the King of England had the right to veto laws. The common theory is that that right has died out: but that is not correct. The veto still exists, but, instead of being exercised by the King, it is in the hands of the Executive Government. Now, when a law is passed by the two houses, the King has no right to stop it: he has to follow the advice of his Executive. Of course, if they advised him to disallow a Bill he could do so. In all purely Canadian matters the Governor General, so far as the veto is concerned, is in the hands of the Executive Government, and the only check on the House of Commons is the Senate. If you had no Senate, and a Bill passed the House of Commons and the Governor General were so advised by his Executive he would, as a matter of course, assent to that law. What would you have? In a House of Commons, with no Senate and with no veto -the veto being in the hands of the Government of the day-you would have a body of men who could do just as they pleased. One man unchecked, with the right to make laws and do what he pleases, is a tyrant; two men in the same situation are tyrants; and so are twenty, and so are one hundred, and so are two hundred. What I want to point out to you is that that is the history of single chamber legislatures.

In 1649 the House of Commons in England asserted that that body alone had the right to make laws-that the House of Lords was not only useless, but positively injurious. The House of Commons undertook to rule alone for four years, and by the end of that time things had got so bad-they had interfered with property, with liberty of the subject, they had carried things with so high a hand -that Oliver Cromwell was led to say that the House of Commons had come to be a running sore on the Commonwealth. The army interfered, and there was a new Constitution, with one House and a Protector. That was in 1653. Cromwell had tried to rule with one House for four years, and at the end of that time he called his followers together and said to them: "Unless you give me a second

House I will resign the Protectorship. You will have to give me a second House to stand between me and a turbulent House of Commons; I cannot get along without it"; and they gave him a second chamber.

This is the particular point: the theory of the second chamber in England does not come from the Restoration, but actually grew out of the necessities of the situation when Cromwell was in power, or before the restoration of Charles II. So it is evident that the second chamber is one of those things that grow, so to speak, out of the ground, out of the necessities of the situation in any country.

In France, in 1791, they had a revolution and established a new Constitution with one House and with a king having a suspensive veto. That situation lasted for two years, but was unworkable; and there was a National Convention that ruled for three years. That is an unchecked single House; and, with the exception of one other legislative body that I will refer to in a minute, it probably committed more iniquities than were ever committed by any other legislature, single or double, that has sat in the world. By 1795 France had a new Constitution, with two chambers; and, if you look at the history of France, you will notice this peculiar thing about it-that the first thing that was done by the new second House in the French Legislature was to cut in two the budget presented by the so-called Lower House; thus showing that in nearly all these critical situations in governments—and it is true of this House to-day—one of the essential values of the second House is the curbing of the Lower House in the matter of public expense. Thiers. who writes very fully on the subject, points that out, and states that France had learned the lesson that she could get along very well without a king, but could not exist without a second chamber; and from 1795 to the present time France has always had two cham-While France had fallen into a very bers. low state between 1791 and 1795, she began progressing as soon as she got her new legislature with the two chambers and got rational legislation; because while they had one House they enacted laws by the thousand and often changed them four or five times in one day. That is a peculiarity of the single chamber. because all that it need do is to pass a resolution and it becomes law.

Not only so, but both in France and in England these single House interfered with the courts. A man with a case in court, if he had political pull, could go to the legislature and get an Act passed settling the matter in the way he desired. It would be a very fine state of affairs to have in any Anglo-Saxon country a form of government that could supersede the courts. There would be liberty to no one, and oppression chiefly of the poor.

But there is now another single chamber. It is sitting in Moscow. Among other things, the Soviets have managed to murder their Sovereign and his family, to repudiate the national debt, to crush and, so far as they can, to annihilate the Church, and to violate every title-deed to property in Russia, paying no attention at all to contracts. They have gone from one thing to another. One of the latest achievements of their Legislature, as related by a Labour delegation that went from England to Russia and was, if anything, quite friendly to the Russians, has been to pass legislation regulating birth control and to make elaborate provision for a state hospital to give women abortion when they go there to get it.

Such is the record of the single chamber, and I submit to you that an ounce of experience is worth a pound of theory. You may have as much theory as you like about First and Second Chambers, but if down a long period of history you find that Single Chambers have been tried and have broken down, you must conclude that they have inherent defects.

This is a matter to which I have given a great deal of attention. I have tried on this occasion to curtail my remarks. Some years ago I wrote a short article about the Single Chamber Governments in France and in England, which was published in Volume XXXIX of the Canadian Law Times, 1919, and, in order to sum up what I have to say, I want to read from a paragraph of that article. What I say there is this:

The English and French Single Chamber Legis-

And to those you may add now the Russian Single Chamber—

had or assumed all the powers of government. They both show that a single unchecked legislature has the following weaknesses: (1) a desire to perpetuate itself and to change its Constitution at its own will.

That is common to them all. Anyone who knows the history of either the English or the French Constitution, or of the Russian, knows that the Single Chamber makes the Constitution as it goes along. And it tries its own members. It determines who may come in and who shall go out, who was elected and who was not elected. That was the charge made against the Single Chamber by Cromwell in England, and it is incontrovertible that it was true; and it was true in France; and it is true to-day in Russia.

Hon. W. B. ROSS.

The second weakness I mention in this article is "a disregard of the rights of persons." Personal liberty is nothing at all to the Single Chamber. The English Single House would without the slightest hesitation throw a man into jail and keep him there, and it did so. It did some abominable things.

Third, there is a disregard of the rights of property and contracts. We need not dwell on that. Everyone knows that it is true.

Another weakness is: "usurping the rights of the Judicature by special legislation and through the medium of committees." As Cromwell pointed out, there is no security at all, because you can make a law to-day to deal with something that happened yesterday—a thing that the Single Chamber did.

A further weakness is the injustice to minorities. The majority in a Single Chamber will do as it likes, totally disregarding the minority.

There is the further weakness of continuous prude legislation.

Furthermore, the Single Chamber has this weakness, that it is liable to be mobbed. In Paris the Legislature was mobbed continually. Mobbing the National Convention was a science. There was a little of that sort of thing also in London, but in England there was a strong man, in the person of Cromwell, to put the mob where it belonged. There may be excitement inside as well as outside the Legislature. When 300 men are gathered together, a mob orator may carry them off their feet and impel them to do certain things. under the excitement that arises, not outside. but in the House itself. The measures they pass become law immediately, and there is no check and no way to avert what may be national disaster.

It is worth while watching what is happening in the Canadian provinces that have abolished their second house. The late Mr. Whitney is authority for the statement, which I had from the late Mr. Lash, that from the point of view of the public interest in Ontario the worst thing ever done by the Legislature of that Province was the abolition of the Legislative Council; and I think that anybody who watches what is going on in Ontario will probably agree with that statement. They have already taken cases out of the courts and settled them in the Legislature. You have this remarkable situation, that in the Imperial Parliament there is a Bill to abolish what is known as the fiat of the Attorney General. If you want to sue the Crown you must obtain leave from the Attorney General; but the bill now in the Imperial Parliament would abolish that

requirement and allow any man to sue the Crown who thinks he has a grievance. Conversely, the Crown can sue the individual. But here is the curious thing: that when this work of royalty, of what was thought at one time to be tyranny, is on the eve of being abolished in England, it is revived here in Ontario, with its Single Chamber. In the Province of Ontario there is one institution, the Hydro-Electric Commission, that you cannot sue unless you obtain the consent of the Attorney General. But if the Attorney General is hostile to you personally and will not give you leave to sue, where are you? You may have a good claim, but you cannot bring your action. It is singular that in this democratic province of Ontario there should be a reversion to the procedure of the time of William the Conqueror.

Hon. Mr. BELCOURT: Will my honourable friend allow me to remind him that the situation in the Federal sphere, with regard to the fiat, is exactly the same. The Minister of Justice may refuse a fiat.

Hon. Mr. ROSS: I have tried my best to get that provision abolished, but up to the present time I have not succeeded.

Hon. Mr. BELCOURT: The situation here, under the Dominion, is no better than under the Province.

Hon. Mr. ROSS: It is in railway matters.

Hon. Mr. BELCOURT: Not with regard to fiats.

Hon. Mr. ROSS: Yes. You do not require a fiat in order to sue the Canadian National. You can sue them in any court in Canada—county court or supreme court; and they can sue you.

Hon. Mr. BELCOURT: Yes. That is because it is not part of the Crown administration.

Hon. Mr. McMEANS: Is there not a special provision for it?

Hon. Mr. ROSS: It is contained in the Railway Act.

Hon. Mr. BELCOURT: Yes.

Hon. Mr. ROSS: But what I am saying is that in England there is a move to abolish the provision requiring the flat, but now it is created in Ontario.

Hon. Mr. BELCOURT: I was wondering what my honourable friend meant by saying that the situation in Ontario was an instance of a retrograde step by a Single Chamber. I cannot follow my honourable friend in that at all. Here we have two Kouses of Parliament and exactly the same condition prevails as my honourable friend refers to. I am speaking now with regard to fiats.

Hon. Mr. ROSS: Oh, yes, with regard to fiats. The man on the street would tell you that the fiat is a work of tyranny. We inherited it, but the Ontario Legislature has created it. That is the difference between the two situations, and what I was trying to point out was that this Single Chamber, which has been working only for a short time, has already exhibited the weaknesses of the Single Chamber in England and some of those in Russia.

That is practically all I have to say on this matter. When you come to deal with the question before a convention, it is well to know just what is the effect of either the abolition or the modification of the powers of the Senate. A Single Chamber in England, with a suspensory veto on the part of the Protector, was as bad a failure as you would have where there was no check at all. A suspensory veto, effective for two years, would in my opinion not meet the situation. What you want is an independent body, like the Senate of Canada, that will act as I think this House has done ever since I have been in I have seen practically no abuse of the it. powers of the House. We have deferred Bills and we have modified Bills, and, no doubt, we shall do so in the future. I would regret to see any change either by way of abolishing the Senate or giving it, as some propose, merely a suspensory veto. As surely as you do that you have an unchecked single chamber, and the history of these single chambers is simply one of disaster and disgrace.

Hon. Mr. BELCOURT: My neighbour, the honourable member for De Salaberry (Hon. Mr. Béique), asked me to move the adjournment for him, so that he may have an opportunity to speak on this subject. If no other honourable member wishes to speak this afternoon, I move the adjournment, on behalf of my honourable friend from De Salaberry.

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

ADJOURNMENT OF THE SENATE

Hon. Mr. DANDURAND: Honourable gentlemen, I would like to inform honourable members of the programme which it is intended to follow for the next eight or ten days. I shall move the adjournment of the Senate until to-morrow, and from tomorrow until next Monday evening at 8 o'clock. The purpose is to have next week

three sittings of the Senate-on Monday evening, on Tuesday and on Wednesday-and then to adjourn over the legal holiday, Thursday. The other House will not sit on that day. We have met on such days towards the end of a Session, when we were pressed with work, but, as we shall be able to cope with the business before us, it is my intention to move on Wednesday that when the House adjourns on that day it stand adjourned till the Tuesday There will be two holidays infollowing. tervening-one on Thursday and one on Monday, the 25th. I give this intimation in order that honourable members may govern themselves accordingly.

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

THE SENATE

Friday, May 15, 1925.

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

Prayers and routine proceedings.

NEW ZEALAND CHEESE IN CANADA INQUIRY

Hon. JOHN WEBSTER inquired of the Government:

(a) What quantity of New Zealand cheese has been brought into Canada since January 1st, 1925, and what is the value of same?

(b) What was the amount of duty collected on these shipments?

(c) What is the amount of duty to be refunded on above product when exported?

(d) Under this arrangement will the product made after the process of manufacture be permitted to be branded and sold as Canadian cheese?

(e) If so, does the Government consider it is fair treatment to the producers of Canada who make and export the finest quality of cheese manufactured in the world?

Hon. Mr. DANDURAND:

(a) and (b) Canadian statistics of Import Trade show the country from which goods are shipped direct to Canada so that the country of origin is not regularly recorded, but so far as information is available, the imports of New Zealand cheese entered for consumption in Canada from January 1st to April 30th, 1925, were 5,716,339 lbs. valued at \$1,227,368, and the Customs duties collected on these imports were \$121,133.53.

(c) No drawback has been paid.

(d) This cheese is not branded and sold as Canadian cheese.

(e) Answered by (d).

Hon. Mr. DANDURAND.

COMMONS COMMITTEE ON OCEAN RATES

REFUSAL OF OFFICIAL DOCUMENTS

On the Orders of the Day:

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, may I direct the attention of my honourable friend to a situation which has arisen between, I may say, the Commons and the Senate, and which should not be perpetuated. An honourable member of this Chamber on Thursday last made application to the Clerk of the Shipping Combine Committee which is now sitting, for a copy of the evidence taken before that Committee, which has been printed and, I understand, circulated amongst members of the Commons and also amongst members of the Press Gallery. The answer was made that no copies would be given to members of the Senate; that this evidence is being printed only for the House of Commons and for the Press Gallery.

I am unaware whether that Chamber is arrogating to itself the right to vote public moneys and to deal with subjects such as are involved in the inquiry that is now proceeding, entirely irrespective of the fact that this is a co-ordinate branch of Parliament and is as much entitled to parliamentary documents. which are printed for the use of Parliament, as the other Chamber. I can scarcely believe that the Prime Minister or the Government would be privy to such a situation, but it would look to me very much as if a lockout were being declared by the Commons against the Senate.

I noticed the other day that reference was made by the Prime Minister to there being a hostile Senate. Such an element as hostility to either the Government or the House of Commons, I am sure, could not be detected for a moment in the attitude of the Senate on any of the public measures which from time to time have come before us. If we exercise our judgment and seek to protect the public interest by our attitude upon public Bills, surely we are not to be charged with being hostile to the Commons. If we do not see eye to eye with them, or if we fail to agree with them in every attitude which they take upon public measures, surely the Senate is not to be charged with adopting a position antagonistic to the Commons.

Now, if this is to continue—if, for instance, an attitude such as that taken by the Clerk of that Committee, an attitude which he was instructed to take—

Hon. Mr. BELCOURT: By whom? By the Chairman?

Hon. Sir JAMES LOUGHEED: By his superior officers.

Hon. Mr. BELCOURT: By the Chairman of the Committee?

Hon. Sir JAMES LOUGHEED: No; by his superior officers—I cannot say how far it will go.

Hon. Mr. BELCOURT: I think it is very important for us to know on whose instructions this Clerk is acting.

Hon. Sir JAMES LOUGHEED: I think this Chamber should ask His Honour the Speaker to make inquiry into the subject and ascertain if authority has been given to this Clerk to refuse parliamentary papers to which we are quite as much entitled as the members of the House of Commons. If such authority has been given, a misunderstanding will be created which will not conduce to the harmony of the two Chambers. I simply direct the attention of my honourable friend to this anomalous condition and hope that he will make inquiry into it.

Hon. Mr. DANDURAND: I intended asking the same question as the honourable the senior member for Ottawa (Hon. Mr. Belcourt) has asked: how far is the information that my honourable friend has obtained the official answer of the authorities of the House of Commons?

Hon. Sir JAMES LOUGHEED: Mr. Davidson, I understand, received his instructions from Mr. Todd, and Mr. Todd received his instructions from the Clerk of the House. The Clerk of the House apparently is entering upon a new policy, to be marked with economy of expenditure in the printing of Parliament; probably with the intention that we should do our own printing.

Hon. Mr. DANDURAND: That would be a very regrettable procedure. If that were the stand of the House of Commons-and I cannot for one moment entertain the idea-it would simply mean that if we deemed it necessary we would start the whole inquiry over again for our own benefit. If there is an inquiry going on with regard to a public Bill which is to be examined by this Chamber, it goes without saying that we are entitled to as much light as the other Chamber. I join with my honourable friend in the suggestion-because I believe it is the best procedure- that His Honour the Speaker obtain the proper information on this matter. I have no doubt that this is the best way to obtain it, inasmuch as it is not a Government matter, but a question relating to the privileges of the House of Commons. Of course, the House of Commons

may decide to confine the distribution of printed copies of the report of any Committee to its own members, but in that event the Senate would have to determine what would be best for it to do when the same measure came before this Chamber for review.

Hon. W. B. ROSS: Honourable gentlemen, I think that if I asked an officer in charge of documents, in either House of Parliament, and got a refusal, I would be entitled to assume that he had authority for what he was doing, and that the Government of the day was responsible.

Hon. Mr. DANDURAND: Is this the action of the Government, or is it the action of the House of Commons?

Hon. Mr. ROSS: It is not for the man requesting these documents to hold a coroner's inquest to determine whether or not the official had authority to do what he did. The member is entitled to assume that it is the act of the Government, and the instruction of the Government, until we have a repudiation of it on the part of the Government.

Hon. Mr. DANDURAND: I am not ready to admit that, because the official may be an official of the House of Commons, and not of the Government.

Hon. W. B. ROSS: Take it either way. The thing has two heads instead of only one, that is all: either the House of Commons is responsible or the Government is responsible. But when I ask for a copy of this evidence, I do not think that I am to be driven from the House of Commons to the Government and from the Government back to the House of Commons. I am entitled to assume that I have a grievance, and it is for the Government of the day to remove that grievance.

Hon. Mr. DANDURAND: I have no objection to assuming my share of responsibility when I feel that I have responsibility, but I would suspend that judgment—

Hon. Sir JAMES LOUGHEED: May I take issue with the observation made by my honourable friend that the Commons would have the right to determine the practice as to the distribution of the printing of Parliament? I take issue with that statement because, as I understand it, the vote is for the printing of Parliament, and the Joint Committee on Printing determines what measure of printing shall be done, how it shall be distributed, and so on.

Hon. Mr. BELCOURT: I thoroughly agree with my leader. That is a matter within the jurisdiction of the House of Commons. It may be that the Government of the day does exercise more or less influence upon the House, but the ultimate responsibility for an act of this kind rests upon the House of Commons, not upon the Government. It is the House of Commons that votes the supply: it is not the Government of the day that is responsible. Ultimately the responsibility is that of the House—I care not what share the Government takes in inducing the House to take that attitude.

Hon. Sir JAMES LOUGHEED: But all supply must originate with the Government.

Hon. Mr. BELCOURT: Not necessarily. It may originate with the House.

Hon. W. B. ROSS: Not at all.

Hon. Sir JAMES LOUGHEED: No private member could bring it down.

Hon. Mr. BELCOURT: It could come by the recommendation of a Committee.

Hon. W, B. ROSS: There would have to be a recommendation from the Governor General.

Hon. Mr. DANDURAND: No. My honourable friend himself could move that a Committee of the Senate be authorized to call for papers and persons and to take evidence. That implies the expenditure of money. It does not start with a resolution recommended by the Governor General.

Hon. Mr. BELCOURT: The constitutional theory and constitutional effect is that the Government is merely a committee of the House of Commons and responsible to the House of Commons. That cannot be disputed: that is the law. Under the British system the Cabinet of the day is merely a committee of the House of Commons, responsible to the House of Commons and kept there or put out by the vote of the House of Commons, and I maintain that the responsibility for the printing of Parliament or the distribution of Acts, or the procedure of Parliament, is entirely under the control of Parliament, and not the Government at all, and that if Parliament chooses to do anything in the matter it must take the responsibility.

Hon. Mr. DANDURAND: At all events, we will have more light when His Honour the Speaker, if he does not object to accepting the mandate, has gone into the situation.

Right Hon. Sir GEORGE E. FOSTER: Is he to beard the Government in the Privy Council Chamber, or is he to beard the House of Commons in the House of Commons Chamber? When he starts out on his mission, Hon. Mr. BELCOURT. whither is he bound? It seems to me that the Speaker might talk the matter over with the Speaker of the House of Commons and find out where the difficulty is.

But what a stupid proceeding it all seems to be. A Government Bill comes before the other House and, after discussion, is referred to a committee. The Government has not light enough to know what to do about it, and is anxious to be informed. So it instructs a committee of the House of Commons to gather all the information possible. We sit here, and we are to have a review; we need the information just as much as the members of the House of Commons. A stupid kind of thing it is to prevent us getting that information a little before the measure is brought down to us.

There may be another rendering of the Prime Minister's application of the word "hostile" to this body. I do not know how he spelled it, but it might be very applicable if it was spelled h-o-s-t-e-I, because this body does act in a nursery capacity to everything that comes up from the House of Commons.

Hon. W. B. ROSS: I wish to call attention to Section 54 of the British North America Act, which fully justifies my contention:

It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address or Bill for the appropriation of any part of the public revenue or of any tax or impost, to any purpose that has not been first recommended to that House by message of the Governor General in the Session in which such vote, resolution, address or Bill is proposed.

Hon. Mr. BELCOURT: I do not dispute that.

Hon. W. B. ROSS: Then, what is the use of saying the House of Commons can incur expenditure without authority?

Hon. Mr. DANDURAND: Just as we do it.

Hon. W. B. ROSS: You do it first, and by some kind of pious fraud the address is got afterwards.

Hon. Mr. BELCOURT: I was addressing myself to the refusal given by an officer of the House of Commons to distribute a certain document. My remarks were intended to be confined to that act, not to the act of voting the money or voting supply. What I mean is that if an order of that kind has been given by the Clerk of the House or by the House itself, the House has to take the responsibility, no matter at whose instance it is done. Assuming that the Government has induced the clerk or the chairman of a committee to act accordingly, the responsibility rests upon the Commons and the Commons only. The Hon. the SPEAKER: Honourable gentlemen, for the information of the House I may call attention to the fact that for some reason or other the Clerk of the Senate has been more favoured than the honourable members of this House, because he has had copies of this evidence sent to his office regularly ever since the Committee started its work. I have in my hand the second number of the proceedings of the Committee, and on page 4 I find the following:

Ordered, that the said Committee be authorized to have their minutes and proceedings printed from day to day for the use of members of the Committee, and that rule 74 be suspended in reference thereto.

Honourable gentlemen will remember that rule 74 of the House of Commons deals with the printing of documents, and reads as follows:

On motion for printing any paper being offered, the same shall be first submitted to the Joint Committee on Printing for report, before the question is put thereon.

The suspension of that rule enables the Committee to print the evidence without bringing it before the Printing Committee. I understand that the cost is paid out of printing funds, and is charged to the expenses of the Houses of Parliament. It is quite evident that all members of Parliament are entitled to get this evidence. But I will take the matter up with the Speaker of the House of Commons as soon as possible.

Hon. Mr. DANDURAND: After hearing that statement, I wonder whether the order of the Committee is that distribution be made simply to members of the Committee? If so, two-thirds or more of the members of the House of Commons are left out. However, His Honour the Speaker will investigate.

Hon. Mr. BRADBURY: May I add just a word? At noon, as I was coming past the post office, the Chairman of this Committee, Mr. McMaster, eame along. I said: "How is it we cannot get any copies of the evidence of your Committee?" He looked at me and said, "Why, don't you get them?" I said. "No, I have just been asking at the post office whether they got any for distribution." He turned to the post office and asked, and they told him they had none, and he said to me, "I will look into this." So evidently he does not know anything about the situation.

MIGRATORY BIRDS CONVENTION BILL THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 44, an Act to amend the Migratory Birds Convention Act.

He said: Honourable gentlemen, I was asked by the honourable gentleman from Edmonton (Hon. Mr. Griesbach) for some information as to the working of the Act. The Migratory Birds Convention Act is the enabling Act to put in operation the Migratory Birds Convention, a Treaty between Great Britain and the United States, for the protection of the migratory birds of Canada and the United States.

Following the ratification of this Convention the United States passed an Act entitled the Migratory Bird Treaty Act, a copy of which is at the disposal of the honourable gentleman. and under this Act the United States authorities adopted regulations as marked in the attached consolidation. The United States authorities have been active in enforcing this Act and the regulations thereunder. Both the Act and the regulations conform fully with the Treaty and put it in force. Close contact is maintained between the United States officials and the officials of the Department concerned in the administration of the Migratory Bird Act in Canada, and the United States officials have kept the Department fully informed concerning the measures that have been taken for enforcement of the Treaty in the United States and concerning prosecutions that have been instituted in enforcing the laws based upon this Treaty.

The Sportsmen of the United States have been denied very considerable privileges that they formerly had, and the effect of the Treaty has been to equalize the open seasons for migratory birds and make the protection as uniform as possible throughout their range in Canada and the United States. The results as shown by very numerous reports received by the Department from all parts of Canada have been good. Due to the restrictions imposed in the United States more birds have been spared to come north to their Canadian breeding grounds each spring. It should be noted as well that private individuals and the United States authorities have been setting aside very large areas in such important States, from the water-fowl standpoint, as Louisiana, where the wintering wild-fowl are not molested at all. A great percentage of Canada's wild-fowl winter in some of these southern States and the additional protective measures secured for them there under the Treaty have made the Treaty well worth while, aside from its other advantages.

Competent game authorities say that if it had not been for the Treaty there would even now be very few migratory wild-fowl left to come north to Canada each spring. The motion was agreed to, and the Bill was read the third time and passed.

DIVORCE BILLS

THIRD READINGS

Bill Q3, an Act for the relief of Lillian Rebecca Mains.—Hon. Mr. Haydon.

Bill S3, an Act for the relief of Elizabeth Ruth Badgley Shaw.—Hon. Mr. Blain.

Bill T3, an Act for the relief of Lillian Helena Caldwell.—Hon. Mr. Blain.

Bill U3, an Act for the relief of Elizabeth Strachan Reid Harvey Strachan.—Hon. Mr. Blain.

Bill V3, an Act for the relief of Esther Charlotte Ancel.—Hon. Mr. Blain.

SECOND READINGS

Bill X3, an Act for the relief of Birdie Cohen Gould.—Hon. Mr. Haydon.

Bill Y3, an Act for the relief of Walter Roderick Wilson Robinson.—Hon. Mr. Haydon.

BANKRUPTCY BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill Z3, an Act to amend the Bankruptcy Act.

He said: Honourable gentlemen, the working of the Bankruptcy Act occasionally discloses some weak points which need to be amended. This Bill covers quite a number of questions, some of minor importance, and mostly of administration. There is one matter of some moment to the farming community. I will not go into an explanation of the various clauses just now, as we can do so more satisfactorily in committee, but will content myself with moving the second reading of the Bill and suggesting that the members of the legal fraternity and others who are interested in the Act should take the week-end to examine the clauses which I will move before the Committee on Monday evening.

Hon. Sir JAMES LOUGHEED: Would my honourable friend, before the second reading to the Bill, state the general policy of the amendments? The Bill is not on my file, and I was anxious to look over it. Do the amendments depart in any important way from the general policy of the Act as we have it to-day? We have made so many amendments to the Bankruptcy Act from time to time that it is difficult to say just what the law is now. Many of those departures have been on questions of policy. I observe by the draft, that some new provisions have been introduced of a rather radical character, particularly dealing with farmers.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: I mentioned the fact that there was a clause concerning the farmers, which I can explain to my honourable friend.

Hon. Sir JAMES LOUGHEED: Something entirely new, is it not?

Hon. Mr. DANDURAND: It bears on the fact that farmers generally cannot comply with the Act, because in most cases they do not keep books. To meet that situation there is a clause which specially concerns them. Subsection 5 of section 58 provides that the Court shall refuse or suspend a discharge if any of the facts mentioned in section 59 are proved against the insolvent. The facts mentioned in paragraphs b and c of section 59 are that the insolvent has omitted to keep books of account, and that he has continued to trade after knowing himself to be insolvent. It is represented that in the case of an insolvent farmer the proof of those two facts should not disentitle him to a discharge, because few farmers keep books, and a bad crop may render a farmer insolvent, yet he cannot discontinue farming; he must keep on working his farm.

Hon. Mr. STANDFIELD: How could a farmer make an Income Tax return if he did not keep books?

Hon. Mr. BELCOURT: He does not make them.

Hon. Mr. DANDURAND: I can quite easily see that many of them have not to make returns because of their rather small revenue, which entitles them to the greater consideration, if possible, because it shows that the returns from the very hard work that they put in are not as considerable as those from other callings in which the work is not so heavy.

Hon. Mr. BELCOURT: My memory may be at fault, but I thought that last year we amended the Bankruptcy Act so as to exempt the farmer.

Hon. Sir JAMES LOUGHEED: As to the province of Quebec.

Hon. Mr. DANDURAND: My honourable friend will see that the two reasons which would disentitle a farmer to his discharge, as they stand against him in the present Act, are reasons which in many instances could not apply against him. One is that he has not kept books. Well, most farmers do not see the great importance of keeping books. The second is that he has continued to trade after knowing himself to be insolvent. Well, no one would reproach a farmer who was in a condition of insolvency for trying to eke out his living by continuing the operation of his farm.

This is one of the principal amendments to the Act. The others are matters of administration, which we will go into at the next sitting of the House in Committee of the Whole.

Hon. Sir JAMES LOUGHEED: I suppose the term "farmer" will include the Progressive?

Hon. Mr. BELCOURT: It may be necessary to distinguish, though.

Hon. Mr. BRADBURY: They are miners, or grain buyers.

Hon. Mr. DANDURAND: The Progressive should not be insolvent, because he would be alert and go forward.

Hon. Sir JAMES LOUGHEED: He may be progressive in that direction.

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

PRIVATE BILL

SECOND READING

Bill 26, an Act respecting a Patent of Walter W. Williams.—Hon. G. V. White.

ROYAL CANADIAN MOUNTED POLICE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 115, an Act to amend the Royal Canadian Mounted Police Act.

He said: This Bill contains but one section, which amends the Royal Canadian Mounted Police Act, chapter 91 of the Revised Statutes of 1906. It is as follows:

Pensions to officers, their widows, and constables granted prior to the seventh day of July, one thousand nine hundred and nineteen, shall be readjusted in accordance with the rates of pay for officers and constables provided by the said Royal Canadian Mounted Police Act as amended prior to and on the seventh day of July, one thousand nine hundred and nineteen, but no such readjustment shall authorize the increase of any payments for pensions that accrued before the passing of this Section.

There has been a constant and pressing request made to the Government for a number of years for attention to be given to the case of the old members of the Royal Mounted Police who were retired on a very scant scale of pensions prior to 1919. They rendered very effective service to the country, and with the increased cost of living they are in a state bordering on poverty, in a number of cases. Some 90 or 95 members will be benefitted by this amendment. They receive at present a total sum of \$31,387.18; under the new scale this amount will be increased to \$59,607.30. Hon. Mr. BRADBURY: Will that be retroactive?

Hon. Mr. DANDURAND: No. Of course, these pensions will gradually decrease by the effluxion of time.

Hon. Sir JAMES LOUGHEED: But the increase will begin from the passage of the Act?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. GRIESBACH: I think I should say a few words on this Bill. Last year I brought the matter to the attention of the House, and I am glad to know that this year the Bill brought down has received enthusiastic support in another place, and also from the press and people of Canada generally. The work of the Mounted Police in the West is well known to every Western man, and the men who are to be benefitted by this legislation are those who played a preeminent part in the upbuilding and development of the West in the old days.

Many of those men were pensioned 10, 15, or 20 years ago, after 20 or 25 years' service, on a pension of \$9 or \$10 a month. In the meantime the cost of living has gone up tremendously, and the dollar has shrunk in purchasing power to almost 33 cents. The least that the people of this country can do, to show their gratitude for the unselfish service of those men in the old days, is to recognize the fact of the difference in the cost of living, and that the scale of pensions in other branches of the public service is much more liberal. Therefore we should pass this Bill.

Hon. Mr. DANIEL: What would be the amount that any one individual would receive under this new law—men such as those referred to by the honourable member who has just spoken?

Hon. Mr. DANDURAND: The only figures which have been furnished me are those which give the total amount; but when the Bill is in Committee I will have the information for my honourable friend.

Hon. Sir JAMES LOUGHEED: The schedule is set out in the Bill.

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

PUBLIC SERVICE REARRANGEMENTS AND TRANSFERS BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 43, an Act to amend the Act to authorize Rearrangements and Transfers of Duties in the Public Service.

Hon. Mr. Gordon in the Chair.

On section 1—duties and powers of Minister and Department to be exercised by Minister and Department to which transfer, of duties is made:

Hon. Mr. DANIEL: I would ask the honourable leader of the House if this refers to the transfer of individual members of a Department, or solely to whole Departments and Branches? It refers to Branches and Departments, but it does not say whether it also includes transfer of any individual member of the Civil Service from one Department to another. If it affects an individual member who is transferred from one Department to another, the question of pay would arise. For instance, a member of the Civil Service in one Department who is to be transferred to another might be in receipt of a larger income than would be allowed under the classification of the one to which he is transferred. I am not a lawyer, and do not undertake to read legal documents. and I cannot tell from the wording of this section whether it refers to transfer of individuals or only to that of Departments or Branches of Departments.

Hon. Mr. DANDURAND: I would assume, by the reading of the Bill, that it refers to branches or parts of Departments; but. instead of taking the third reading this afternoon, I will get a little more light on the working of this clause, and give it to my honourable friend on third reading.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

ST. JOHN AND QUEBEC RAILWAY BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 110, an Act to authorize an extension of time for the completion of the Saint John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B.

Hon. Mr. McLennan in the Chair.

Hon. Mr. DANDURAND: Honourable gentlemen, this is a formal extension of the Act authorizing the building of the St. John and Quebec Railway between Centreville, in Hon. Mr. DANDURAND. the county of Carleton, and Andover, in the county of Victoria. It is not only an extension; it is a revival, inasmuch as this Act should have been extended two years ago. It was extended by the Commons, but, strange to say, the Bill never reached the Senate.

Hon. Sir JAMES LOUGHEED: Thought they could do without us, I suppose.

Hon. Mr. DANDURAND: So that, by some error, the Act is not in existence. The effect of this Bill will be to reinstate and revive the Act and to extend its powers for two more years. The line should undoubtedly be completed some time, and perhaps the sooner the better.

Hon. Sir JAMES LOUGHEED: That is a very doubtful question.

Hon. Mr. DANDURAND: Because the road, which was to be built by the New Brunswick Government and operated by the Intercolonial, shows a loss to the province of \$250,000 a year, and to the Intercolonial, or the Canadian National Railways, of a like amount. No arrangement has yet been reached as to completion. When it is finished its financial condition should be improved.

Hon. Sir JAMES LOUGHEED: I doubt that very much.

Hon. Mr. GORDON: I understand that the part that is now being operated shows a loss.

Hon. Mr. DANDURAND: Of \$250,000 a year.

Hon. Mr. GORDON: What will be the estimated loss after the road is completed?

Hon. Mr. DANDURAND: It will be first for the Government of New Brunswick to arrange for the finishing of the road and providing the capital. Just now it is simply a question of granting an extension to the Company to continue its work. It will be for the owners of the railway to decide if they wish to proceed during the next two years. If they do not proceed within that time, they will again come before us and ask for a further extension.

Hon. Mr. DANIEL: The extension of this line to connect with the Canadian National is absolutely necessary if you are going ever to do away with the deficits on the road. The intention in the first place was to give the Transcontinental the shortest route to tidewater, and this line was built according to the grades of the Transcontinental. At the time of its construction there was a sort of agreement with the then Minister of Railways in this Government, that the line would be completed and taken over and operated

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as a part of the Transcontinental line, and it was built with these good grades so that there would be no artificial hardship in making it a part of the system. In order that deficits may be avoided, the proposed line must be completed and joined to the Canadian National. I do not know that the present proposal will accomplish that. I do not think the Transcontinental goes to Andover. The line will still have to be extended to Grand Falls, I think.

Hon. Sir JAMES LOUGHEED: Will that wipe out the \$55,000,000 a year?

Hon. Mr. DANIEL: It will prevent other hundreds of thousands of dollars of deficit being contracted; and if the same intelligence is put into the administration in other railway fields of this country, I think they will meet with the same success that we may anticipate from this line if it is completed in the way originally intended.

Hon. Sir JAMES LOUGHEED: That is a happy solution of the whole difficulty.

Section 1 was agreed to.

The preamble and the title were agreed to. The Bill was reported.

THIRD READING

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

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

DIVORCE BILL

FIRST READING

Bill A4, an Act for the relief of James Hooper Robins.—Hon. Mr. Mulholland.

INDUSTRIAL DISPUTES BILL

FIRST READING

Bill 25, an Act to amend the Industrial Disputes Investigation Act.—Hon. Mr. Dandurand.

DOMINION LANDS BILL

FIRST READING

Bill 75, an Act to amend the Dominion Lands Act.—Hon. Mr. Dandurand.

CUSTOMS TARIFF BILL

FIRST READING

Bill 118, an Act to amend the Customs Tariff, 1907.—Hon. Mr. Dandurand.

The Senate adjourned until Monday, May 18, at 8 p.m. S-18

THE SENATE

Monday, May 18, 1925.

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

Prayers and routine proceedings.

COMMONS COMMITTEE ON OCEAN RATES

OFFICIAL DOCUMENTS

The Hon. the SPEAKER: Honourable gentlemen, I have the honour to inform you that, in accordance with the suggestion made on Friday last, I met His Honour the Speaker of the House of Commons who informed me that he very much regretted that any misunderstanding had arisen or that any honourable member of this House should have been misinformed by an official of the House of Commons. I have also to inform you that the Clerk of the Senate has notified me tonight that there are some ninety complete copies of the evidence taken before the Committee on Ocean Rates which are now available to honourable members of this House who desire them.

I have received the following communication from His Honour the Speaker of the House of Commons:

Ottawa, May 16th, 1925.

Hon. Hewitt Bostock,

Speaker of the Senate, Ottawa.

Dear Mr. Speaker,

I have taken cognizance of the debate which took place in the Senate yesterday on the question of the distribution of the printed minutes and proceedings of the Commons Committee now sitting on ocean rates. The honourable gentlemen who have spoken seemed to be under the impression that some instructions or other had been given either by the Government, myelf, the Clerk of the House, or some other officer for the distribution of these to the Members of Commons only. I may point out, however, that the matter has been entirely dealt with by the Committee itself. The resolution which you quoted clearly states that these documents are to be printed for the use of members of the Committee. No mention is made either of the Senators or Members of the House of Commons. Upon investigation, however, I find this morning that 500 copies in all have been printed and that each of our Members was supplied with copies. This was not done upon any instructions from the Clerk of the House but the Chief Committee Clerk, acting upon the request of several members, deemed it advisable to make that distribution. I may add that he followed thereby an old custom which is also observed in your honourable body. You may remember that when the Senate held investigations over the Hudson Bay project and the fuel question it ordered its evidence to be printed but did not distribute the same to the Members of the House of Commons. It has always been accepted as a principle here that until a Committee document has been laid on the table of the House it does not become a parliamentary paper in the sense that it must be distributed to the Members of both Houses.

I infer from the debate which took place in your honourable body yesterday that your colleagues are desirous to receive these papers and I think it is only fair that they should get them. The Special Committee will therefore be requested to extend the order which it passed a few weeks ago so that Members and Senators as well may receive from day to day the copies of the printed evidence and proceedings.

I have the honour to be,

Mr. Speaker of the Senate,

Yours very sincerely,

Rodolphe Lemieux, Speaker of the Commons.

DIVORCE BILLS

FIRST READINGS

Bill B4, an Act for the relief of Kathleen Mary Ricketts.—Hon. Mr. Haydon.

Bill C4, an Act for the relief of Mary Alina Marguerite Peat.—Hon. Mr. Haydon.

Bill D4, an Act for the relief of Sadie Dennis.—Hon. W. B. Ross.

Bill E4, an Act for the relief of Isabel Davidson.—Hon. W. B. Ross.

Bill F4, and Act for the relief of Jacob Ross. —Hon. W. B. Ross.

Bill G4, an Act for the relief of John Delbert Boddy.—Hon. John Webster.

Bill H4, an Act for the relief of Edward Hugh Reid.—Hon. Mr. Turriff.

THIRD READINGS

Bill X3, an Act for the relief of Birdie Cohen Gould.—Hon. Mr. Haydon.

Bill Y3, an Act for the relief of Walter Roderick Wilson Robinson.—Hon. Mr. Haydon.

PUBLIC SERVICE REARRANGEMENTS AND TRANSFERS BILL

THIRD READING

Bill 43, an Act to amend the Act to authorize Rearrangements and Transfers of duties in the Public Service.—Hon. Mr. Dandurand.

BANKRUPTCY BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill Z3, an Act to amend the Bankruptcy Act.

Hon. Mr. Robinson in the Chair.

Hon. Mr. DANDURAND: I would ask for leave to have Mr. Varcoe, one of the law officers, come to the floor.

Section 1 was agreed to.

On section 2—interpretation; "Trustee," "Authorized Trustee":

Hon. Mr. DANDURAND: Honourable gentlemen, this section is to replace paragraph (jj) of section 2 of the Bankruptcy Act. The nature of the amendment is shown clearly in the Bill.

The Hon. the SPEAKER.

(jj) "trustee" or authorized trustee" means, dependent upon the context, any person—

and these are the new words-

-including a trust company.

This amendment is designed to enable trust companies to act as trustees. There is some doubt about their right to be appointed, in view of the fact that paragraph (k) of section 2 defines "corporation" to exclude such companies, paragraph (aa) defines "persons" to include "corporations as restrictively defined by this section", and paragraph (jj) defines "trustee" to be "any person appointed by the creditors pursuant to the provisions of this Act." So, in reading these texts together, it would seem that the trust company would be unable to act as trustees.

Hon. Mr. CASGRAIN: Are they not acting as trustees?

Hon. Mr. DANDURAND: They are. The exclusion of trust companies in the definition of the word "corporation" was designed to place insolvent trust companies outside the Act, but of course it was never intended that they should be disentitled to act as trustees.

Hon. Sir JAMES LOUGHEED: Or to wind up their own estates.

Hon. Mr. DANDURAND: Yes. They are outside the pale of this Act, but they can wind up other estates.

Hon. Sir JAMES LOUGHEED: Is there any distinction between provincial trust companies and federal? Will this include both?

Hon. Mr. DANDURAND: There is no distinction. It will include both.

Hon. Mr. CASGRAIN: How can we affect provincial ones?

Hon. Sir JAMES LOUGHEED: I am not saying we should.

Hon. Mr. BEIQUE: This is merely enabling.

Hon. Sir JAMES LOUGHEED: Inasmuch as a provincial trust company is to be empowered or authorized to act as a trustee, it might be well to look at the Interpretation Act in the Dominion Statutes as to what constitutes a trust company. This is a Dominion Act, and the probabilities are that in the Interpretation Act we may run across a restrictive meaning to "trust company," confining it to a Federal trust company.

Hon. Mr. DANDURAND: I doubt if this Act would not supersede all others when it came to the administration of the Bankruptcy law. We define what is a trust company. This section is a proposed amendment of the interpretation clause.

Hon. Sir JAMES LOUGHEED: I do not allude to that; I allude to the general Interpretation Act.

Section 2 was agreed to.

On section 3—appointment of interim receiver:

Hon. Mr. DANDURAND: Honourable gentlemen will see that Clause 3 contains an amendment to subsection 1 of section 5 of the Act by adding after the words, "the court may," the words, "if no custodian has been appointed and." The subsection as amended would read:

The court may, if no custodian has been appointed and if it is shown to be necessary for the protection of the estate, at any time after the presentation of a bankruptey petition, and before a receiving order is made, appoint an interim receiver of the property of the debtor, or of any part thereof, and direct him to take immediate possession thereof or of any part thereof.

It sometimes happens that after an authorized assignment is made to an official receiver and a custodian is appointed by him, a petition is filed to have the insolvent declared a bankrupt. In connection therewith application is made under section 5 to have an interim receiver appointed, although there is already a custodian in possession. | Contests develop between the interim receiver and the custodian. There is no reason for the appointment of an interim receiver if a custodian has already been appointed. This amendment is suggested by a judge who has only to do with the liquidating of insolvent estates.

Hon. Sir JAMES LOUGHEED: Does the interim receiver put up security?

Hon. Mr. DANDURAND: Oh, yes.

Hon. Sir JAMES LOUGHEED: You make no provision for that here.

Hon. Mr. DANDURAND: It is in the Act.

Hon. Sir JAMES LOUGHEED: I do not think the Act would extend to the interim receiver to be appointed, so far as security is concerned.

Hon. Mr. DANDURAND: I had occasion to read the whole Act since we separated, and I found there was provision for that.

Hon. Sir JAMES LOUGHEED: The present Act apparently did not contemplate such an officer being appointed.

Hon. Mr. DANDURAND: The receiver, the interim receiver, and the custodian, are all three obliged to give security. Hon. Mr. BEIQUE: This is not providing for any new machinery; it is merely to exclude double machinery.

Hon. Sir JAMES LOUGHEED: But this deals with the appointment of an officer apparently not contemplated by the Act, that is to say, an interim receiver in the absence of a custodian. If the Act did not contemplate the appointment of such an officer, it seems to be manifest that it could not have made provision for his putting up security.

Hon. Mr. DANDURAND: Under the Act there existed and still exist two offices, that of custodian, who can be appointed by the official receiver, and that of interim receiver, who can be appointed by the court; and I am convinced that the Act contains a clause which covers them both.

Hon. Sir JAMES LOUGHEED: I am simply asking the question. I am not deeply concerned in the matter.

Section 3 was agreed to.

On section 4—administration of insolvent farmers' estates by provincial government officer:

Hon. Mr. WILLOUGHBY: This is a new section.

Hon. Sir JAMES LOUGHEED: And a new policy.

Hon. Mr. WILLOUGHBY: It inaugurates to some extent a new policy, that is, a policy dealing with the farmer who is insolvent. I do not know whether a regulation has been passed in any of the provinces appointing an officer for the purpose of looking after the estates of farmers in financial distress, but I know that in Saskatchewan since the war we have had a Moratorium Act on the statute book. The legal question arose whether that Act could have a general application to an individual without a declaration, but I am not aware that that phase has ever been dealt with in a court.

I think the legislation aimed at is very desirable, and I do not see why that section could not be widened, so that the Lieutenant Governor in Council could do by Order in Council what would be done by an Act of the legislature. In Saskatchewan, and I think also in Manitoba, a functionary is appointed by the Government who becomes an intermediatary between the creditors and the debtor farmer. He exercises his good offices; he uses no legal compulsion whatever, because no advantage is taken of the war-time moratorium.

Hon. Mr. DANDURAND: If my honourable friend will follow me I think he will find

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the suggestion embodied in the amendment:

8c. Notwithstanding anything contained in this Act, if the Lieutenant-Governor in Council of any province has authorized any officer of the provincial government charged under a provincial statute—

Hon. Mr. WILLOUGHBY: There is the point: "charged under a provincial statute."

Hon. Mr. DANDURAND: Let us follow and see if it would not be wider:

-charged under a provincial statute with duties which in the opinion of the Lieutenant-Governor in Council are analogous in any respect to the duties of custodian and trustee, to act as custodian and trustee under this Act, the Official Receiver shall in the case of any assignment by a person engaged solely in farming or the tillage of the soil appoint such officer as custodian.

Hon. Sir JAMES LOUGHEED: Would not the legal position be that any provincial legislation would be superceded by this Act? I think it is clear that the provinces are not at liberty to pass legislation touching bankruptcy if this Parliament legislates upon the subject. I think that has been established. If that be the case, how can we assume that there is provincial legislation upon the statute book of any province dealing with bankrupt estates of farmers? It seems to me that that is a wrong assumption.

Hon. Mr. BEIQUE: There was before this Act was passed.

Hon. Sir JAMES LOUGHEED: Yes, I am aware of that.

Hon. Mr. BEIQUE: In most of the provinces there were laws providing for the distribution of debtors' assets, that were practically equivalent, as to machinery, to the Insolvent Act. The law in the province of Quebec has not been repealed, and it applies to farmers as well as to the community at large.

Hon. Sir JAMES LOUGHEED: Then may I ask my honourable friend if he is of opinion that there could be a coordinate jurisdiction or authority immediately upon this Parliament legislating as to bankruptcy? I would think under the decisions that the provincial legislation would be superceded by this.

Hon. Mr. BEIQUE: The provincial legislation is not in the nature of bankruptcy legislation: it has been held to be within the jurisdiction of the province. It merely provides for the distribution of the assets of the debtor otherwise than by way of seizure or attachment.

Hon. Sir JAMES LOUGHEED: Was that legislation since this Act was passed?

Hon. Mr. BEIQUE: No, before. The provincial legislation was upheld because it was not a bankruptcy law, but merely another Hon. Sir JAMES LOUGHEED. mode of providing for the attachment of the assets of the debtor.

Hon. Mr. DANDURAND: I will read the section, and I think my honourable friend will find that the point he makes is outside the question itself:

Sc. Notwithstanding anything contained in this Act, if the Lieutenant-Governor in Council of any province has authorized any officer of the provincial Government, charged under a provincial statute with duties which in the opinion of the Lieutenant-Governor in Council are analogous in any respect to the duties of custodian and trustee, to act as custodian and trustee, under this Act, the Official Receiver shall in the case of any assignment by a person engaged solely in farming or the tillage of the soil appoint such officer as custodian.

So that we simply direct that if there is an officer charged with similar duties, which we must presume are constitutional and intra vires of the Province, it shall be the duty of the official so appointed to act as custodian in the case of any assignment of any person engaged solely in farming.

Hon. Sir JAMES LOUGHEED: My honourable friend misapprehends the point I have made. There is provision that in the absence of any Bankruptcy Act by the Dominion Parliament the provinces can legislate as to the winding up and distribution of estates, but they could not pass a Bankruptcy Act in its entirety, though they could as closely approximate that as they have authority under the British North America Act. But the judicial authority goes further and states that, immediately a Bankruptcy Act is passed, a province can no longer legislate along those lines.

Whatever legislation is upon the statute books of the provinces is there, in my judgment by virtue of their having exercised their authority or jurisdiction previous to this Parliament exercising its jurisdiction in the passage of a Bankruptcy Act. The authority which we possess under the British North America Act to legislate as to bankruptcy having once been invoked, the legislation which is on the Statute Books of the provinces ceases to have any virtue.

Hon. Mr. DANDURAND: Would my honourable friend go so far as to say that it ceases to have any virtue if it does not in fact operate as a Bankruptcy Act.

Hon. Sir JAMES LOUGHEED: They legislated as far as they could go. I think all the provinces did that, and the judicial authority indicated the extent to which they could go. If that be the case, under this section you practically seek to validate that legislation, and to say that both the provinces and this Parliament may legislate. That seems to me to be a contradiction of judicial authority on this particular question.

Hon. Mr. DANDURAND: The Minister of Justice, in drafting this amendment, desired to enable the western provinces, or any other, to provide for the administration of farmers' estates by a Government official. It is said that farmers have very often no assets free of liens, or security available to pay the ordinary costs of administration; consequently they cannot at present take advantage of the Bankruptcy Act and obtain a discharge. This section was suggested by the Canadian Council of Agriculture, and certain Alberta members of Parliament. I continue to read the section 4 (2):

Any officer so appointed to the office of custodian by the Official Receiver shall thereupon in addition to such office be and be deemed to be the authorized trustee as if appointed under subsection (1) of section 15 of thus Act, and shall continue to be the authorized trustee until properly removed under subsection (2) of the said section 15.

I may also read subsection 3:

In case any such provincial officer is appointed custodian and trustee, he shall not be entitled under this Act to be paid any remuneration as custodian or trustee nor any of the costs enumerated as costs of custodian in Part III of the General Rules.

I do not see that there is any recognition of provincial authority to legislate on the same lines as the Parliament of Canada. This Bill simply declares that if the Lieutenant-Governor has appointed an officer with duties which in his opinion are analogous to those of custodian or trustee under this Act—and there may be such officer appointed, acting as registrar of a court, with certain powers—

Hon. Sir JAMES LOUGHEED: That presupposes that the provinces have legislation somewhat similar to this.

Hon. Mr. DANDURAND: They may have had an officer appointed before this Act passes, for the distribution of the estates of insolvents, and that is perfectly legal and constitutional. The officer being thus appointed for the liquidation of these estates, or being the registrar of a court charged with certain duties which would be somewhat similar to these, could assume the duty of liquidating those small estates of farmers that have practically no liquid assets to answer for the costs of an official receiver or trustee.

Hon. Mr. LYNCH-STAUNTON: It seems to me that an officer under a provincial statute could not become seized of the powers here suggested, because if an insolvent estate has passed under this Act none of the provincial statutes are operative. Hon. Sir JAMES LOUGHEED: And they fall to the ground.

Hon. Mr. LYNCH-STAUNTON: I refer to the officer appointed under a statute of a province contemplating that the estate of the insolvent will vest in him under the Act. The Bankruptcy Act supercedes the provincial Act, and takes the estate under its administration. Where there is no estate to administer, there can be no officer appointed. It seems to me that section 8c is unhappily worded.

I understand that Quebec Province has a law which gives power to appoint a guardian or curator, as he is called there; but if the officer mentioned here is appointed under the provision of the Insolvents Act. I cannot see how this section can be operative at all.

Hon. Mr. BEIQUE: Referring to the remark which has been made by the leader on the other side (Hon. Sir James Lougheed), I would say that under the constitution there are certain matters in reference to which if the Dominion Parliament legislates, the powers of the provinces are exhausted. Bankruptcy legislation is declared to be exclusively within the jurisdiction of the Dominion Parliament: but when a province legislates in the direction of providing for the distribution of assets of debtors, this is not legislating in matters of bankruptcy at all, and the courts have so maintained. That legislation, therefore, cannot be affected by any Act the Federal Parliament has passed relating to bankruptcy. I know of no judgment of a court, and cannot imagine any, going to the extent of saying that, because the Dominion Parliament has passed a Bankruptcy Act, provincial legislation such as that to which I have referred has become obsolete or superceded.

I am pretty familiar with this subject, because the law to which I refer was passed by the province of Quebec, which was the first province that passed that kind of legislation, and I prepared the Bill, and had it passed by the legislature against the opinion of the Attorney General at the time who afterwards became Judge Loranger. His contention was that it was in the nature of a Bankruptcy Act, and therefore not within the powers of the Legislature. I contended the contrary, and succeeded in having the Act passed by the Legislature, and it was tested before the court and maintained.

As to the point raised by the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), this section merely provides that, if any province has entrusted any person within that province to see to the distribution of a debtor's assets, his duties being similar to those of the officer for the protection of the property of a debtor, or to those which are confided to a custodian under the Bankruptcy Act, such an officer may act. The amendment would have this effect: that the Bankruptcy Act would take its course and have full effect, and the estate would pass by virtue of the Act; but the person entrusted with the guardianship of the estate for the time being, instead of being appointed by the court, or by the official receiver, would be of necessity the person designated by the Province.

Hon. Mr. LYNCH-STAUNTON: How can a provincial statute appoint a man custodian or trustee under this Act?

Hon. Mr. BEIQUE: That is not the effect of the Act. The Act merely states that if a person having such and such qualifications happens to exist, it shall be the duty of the court or of the official receiver to appoint that person as guardian. We have sheriffs and bailiffs in the Province of Quebec, and in other Provinces you have sheriffs. What would prevent Parliament saying that the person to be appointed as custodian shall be the sheriff of the district?

Hon. Mr. LYNCH-STAUNTON: Certainly it can be done, but it is not done here.

Hon. Mr. BEIQUE: But they are doing the same thing—instead of saying the sheriff, they say some other officer.

Hon. Mr. DANDURAND: Who should my honourable friend insist that no officer having to any degree any analogous function in the distribution of estates belonging to the provincial authorities could be utilized under this Act? Why should my honourable friend say that it is repugnant to the rights of the Federal Parliament that there should be such an officer? I understand that in Alberta, in the considerable dry area where it was impossible for the farmers to raise any crops, there was some kind of a moratorium declared by this statute, and that an officer was appointed to see that the persons who could benefit by the moratorium should be protected. Why should not the Federal Parliament designate a paid officer of the provincial authorities who will be obliged to attend to the liquidation of these small estates of farmers free of charge?

Hon. Sir JAMES LOUGHEED: There is no objection to that.

Hon. Mr. LYNCH-STAUNTON: Why could not that person be appointed by the court without this section? There is no objection to appointing him anyway. If they would provide that any such custodian would have the preference under this Act—

Hon. Mr. BEIQUE.

Hon. Mr. BEIQUE: The object of the section is to save costs. The section declares that this person shall be appointed and shall not be entitled to receive any payment.

Hon. Sir JAMES LOUGHEED: My honourable friend refers to the legislation on the Statute Book of Quebec dealing with insolvent estates before the passing of this Act, but we are unaware of the particulars or of the extent to which the other Provinces may have legislated along similar lines; therefore I say that the language employed in this section gives recognition to that legislation, or assumes that legislation has been placed upon the Statute Books of the other Provinces in the absence of a general Bankruptcy Act passed by this Parliament. There is no necessity of giving any recognition to, or of making any pronouncement upon, that fact. It would be quite as effective if the statement were made that the provincial authorities should appoint a trustee or custodian.

Hon. Mr. DANDURAND: Of course, there is this limitation:

-the official receiver shall in the case of any assignment by a person engaged solely in farming or the tillage of the soil appoint such officer as custodian.

Hon. Sir JAMES LOUGHEED: Here is the trouble. When an officer is appointed as custodian or trustee of the estate by the Province, the first objection that will be raised in attacking the appointment will be that the duties of that officer are not analogous to the duties of a custodian and trustee under this Act. Why invite litigation? You are inviting litigation of a most fertile character.

Hon. Mr. LYNCH-STAUNTON: Why not leave the farmer out altogether?

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Sir JAMES LOUGHEED: I am not raising that question, but it seems to me that this will be a fertile source of litigation, and actions will be taken in court to set aside the appointment on the ground that the Lieutenant-Governor of the Province was mistaken in assuming that the duties of the officer were analogous to those of the trustee under this Act.

Hon. Mr. BLONDIN: The law as it stands is in conflict with the Civil Code of the Province of Quebec, which defines bankruptcy as a state of a trader who has ceased payment. I have always wondered how it was that the Bankruptcy Act, which is an Act essentially relating to trade, should reach any private citizens not at all connected with trade. That is my first observation. The second is this. The more I read this Act the more it seems to me that it is an effort to escape the difficulty created—at least in the Province of Quebec, I do not know how it is in the other Provinces—by the fact that the Civil Code in providing for the administration of what we call bankruptcy here, was not legislating on bankruptcy, but on the affairs of a man who could not meet his liabilities.

Last year I had an amendment which I presented to this House, but which I did not press. It was a repetition of the language of the Civil Code-that the Bankruptcy Act. as far as the Province of Quebec was concerned, should apply only to traders. That, to my mind, would have met the difficulty. Representations were made to me that if the amendment were passed the administration would be by the prothonotary of the district, and that regulations had been made to enable him to reach the end desired. In the Province of Quebec the farmer was not a trader any more than a lawyer, and I abandoned my amendment because the prothonotaries represented that in the previous year not a single farmer had gone into bankruptcy, and that it was better to let well enough alone. I would like to be enlightened as to whether the law applies to citizens in every walk of life, or only to those in trade. I do not think that the farmer of the West can be compared to the farmer of the Province of Quebec. I think every farmer in the West is a trader.

Hon. Mr. CASGRAIN: A trader?

Hon. Mr. BLONDIN: Yes, a trader in grain. Hon. Mr. CASGRAIN: The farmer in Quebec is a trader in potatoes.

Hon. Mr. BLONDIN: I do not think you can compare them at all. We have a great number of farmers who live on their farms and raise families and make a very small revenue each year, not counting on the crop to pay the value of the land. I think it is important that the application of the law should be definitely and clearly explained.

Hon. Mr. LYNCH-STAUNTON: Do I understand the honourable gentleman to argue that the Dominion Bankruptcy Act can apply only to people engaged in trade or commerce?

Hon. Mr. BLONDIN: Yes.

Hon. Mr. LYNCH-STAUNTON: It seems to me that is a very strong point, because trade and commerce come within the powers of the Dominion Parliament. I never heard that trade and commerce embraced the practice of law or farming, and now that we are about it, it seems to me that we ought to exclude the farmer altogether from this Act.

Hon. Mr. BEIQUE: The law as passed affects every member of the community, including farmers and lawyers, with this exception, that a farmer cannot be forced to come under the Insolvency Act, although he may choose to do so. I have always contended that it was not within the power of this parliament to bring farmers under the Insolvency Act, but the question has not been raised before the courts, so far as I know, and when I raised the objection at the time the Bankruptcy Act was passed. I was overruled. In the Province of Quebec the farmers and other people took advantage of the Insolvency Act, and for my part I was very sorry my honourable friend did not persevere with his Bill last session. I do not appreciate at all the reasons which induced him to abandon his Bill. I have always been, and still am, of the opinion that there are no reasons why a Bankruptcy Act should apply to farmers, and that the matter is outside of the jurisdiction of this Parliament.

Hon. Mr. LYNCH-STAUNTON: The Provincial Government if it chooses, may make the unfortunate farmer pay all the costs of this official.

Hon. Mr. CASGRAIN: I have heard it stated that the fact that the farmer could go into bankruptcy if he wished has ruined the credit of the farmers in our part of the world; it is said that he may never pay for the implements he buys.

Hon. Mr. BLONDIN: I may say frankly that I had doubts as to the success of my amendment of last year. The Bankruptcy Act is a most extraordinary law: it is a law of exception. Our Civil Code provides that all the properties of an ordinary citizen are the common security of his creditors; but an exception is made. In trade the proprietor or owner has a stock which can be liquidated or sold in a night, and the Bankruptcy Act has been passed in order to enable all the creditors to seize the stock at once.

Hon. Mr. WILLOUGHBY: I take the view that the legislation is desirable. I do not agree with my honourable friends on this side of the House at all. I am not dealing with the question of legality or constitutionality.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman tell us what is the law in his province?

Hon. Mr. WILLOUGHBY: In Alberta, I think, they have legislation such as is indicated by the honourable leader of the Government. I can deal with the province of Saskatchewan. In that province there is an officer—he is so styled—who is, or was, Mr. Oliver, and who acts as an intermediary between the creditor and the debtor. He has no official position at all, that I know of. He is simply a friendly adjudicator or peacemaker as between the two parties. He endeavours to get them together to see if they cannot adjust their affairs. That used to be his status, and, so far as I know, it is at present.

The amendment now submitted presupposes a provincial statute and an Order in Council following that. This would mean in Saskatchewan, and perhaps in Manitoba, where I think the law is very similar to that of our province, that there must be another session of the Legislature before the necessary legislation can be passed. It does not exist in Saskatchewan, nor, I think, in Manitoba. In Saskatchewan we are to have an election, and when it is over, I presume, a different Government will be in power. The new session may not be held for a considerable time hence. In any event it will not take place for long months.

If the proposed legislation is to be passed by this House, and you have satisfied honourab'e gentlemen on this side as to its constitutionality, then my suggestion to the Government is that the local government ought to be enabled by Order in Council, without any further legislation, to put it into force, so that the province may get the benefit of it.

Hon. Mr. LYNCH-STAUNTON: Put what into force?

Hon. Mr. WILLOUGHBY: If there is no Act at present in Saskatchewan or in Manitoba, then the Lieutenant Governor cannot make an Order—

Hon. Mr. LYNCH-STAUNTON: No.

Hon. Mr. WILLOUGHBY:—unless an Act is first passed. If the province has not appointed someone with duties analogous to those of the custodian under the Dominion Act, why not give the Lieutenant-Governor in Council the power to do this without an Act of the Legislature. Then the province would get the benefit this year.

Hon. Mr. BEIQUE: I think that the point is well taken. The clause as printed requires two things: that there be an Act of the Legislature, and that there be an Order in Council The honourable gentleman suggests—I think, rightly—that the Act of the Legislature be not required, but that the Order in Council be sufficient.

Hon. Mr. WILLOUGHBY.

if the purpose of the law is limited as has been stated in the course of the discussion. I do not think it would apply at all to Quebec. I am in sympathy with the object of the Bill, because it is to curtail expenditure, but I think the Government would be well advised to consider the point which was raised by the honourable leader on the other side of the House (Hon. Sir James Lougheed), as to doubts that may arise regarding the application of this clause. It should be better defined. The person to whom it is to apply should be better described. There is, as the honourable gentleman stated, a danger of litigation. I was under the impression, on first reading the section, that it would apply to Quebec as well as to the other provinces; and I am not sure that it will not. But I understand that it is not the purpose of the Bill that it should apply to Quebec; it is to apply to the Western provinces where they have appointed a special official.

Hon. Mr. LYNCH-STAUNTON: Could you not let it stand?

Hon. Mr. DANDURAND: Honourable gentlemen, I do , not intend to hasten the passage of this legislation. We may well give all the necessary time to the drafting of the Bill and the consideration of its effects. I recognize that there is considerable agitation in the province of Quebec against making the farmer a trader, and, although he cannot be forced under the Bankruptcy Act into bankruptcy, he can utilize the Act. If honourable gentlemen desire, we will suspend this clause, but inasmuch as it will be applicable only in provinces where an officer is appointed to carry it out, we might meet the objection of my honourable friend from Moose Jaw (Hon. Mr. Willoughby) by striking out the fourth, fifth and sixth lines.

Hon. Sir JAMES LOUGHEED: You want to strike out 8c.

Hon. Mr. DANDURAND: It is 8c. My suggestion is that we leave in the first three lines:

8c. Notwithstanding anything contained in this Act, if the Lieutenant-Governor in Council of any province has authorized any officer of the provincial Government-

Then I would strike out, "charged under a provincial statute with duties which in the opinion of the Lieutenant-Governor in Council are analogous in any respect to the duties of custodian and trustee," and the rest of the section would read as follows:

-to act as custodian and trustee under this Act, the Official Receiver shall in the case of any assignment by a person engaged solely in farming or the tillage of the soil appoint such officer as custodian.

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Hon. Mr. LYNCH-STAUNTON: That would be better.

Hon. Mr. DANDURAND: That would remove the danger of litigation. It would remove the necessity of a statute being passed, and would leave the power in the hands of the Lieutenant-Governor in Council.

Hon. Sir JAMES LOUGHEED: Would it not be even better and more uniform to say that notwithstanding anything contained in the Act, the Lieutenant-Governor in Council of any province may appoint such an officer? That would give each province authority to appoint, even though it had not legislation upon the Statute Book.

Hon. Mr. DANDURAND: Do we not arrive at the same result by leaving the wording as I have suggested?

Hon. Sir JAMES LOUGHEED: That would limit the operation of the section to those provinces which have such an officer already, under provincial legislation.

Hon. Mr. BEIQUE: There is this further advantage in the suggestion made by the honourable gentleman, that it would remove the doubt as to the power of the Legislature to make the appointment.

Hon. Mr. LYNCH-STAUNTON: Yes.

Hon. Sir JAMES LOUGHEED: Yes. Give to the Lieutenant-Governor in Council power to appoint such an officer.

Hon. Mr. LYNCH-STAUNTON: No; to authorize.

Hon. Sir JAMES LOUGHEED: Or to authorize.

Hon. Mr. DANDURAND: I simply throw out this suggestion so that we may turn it over in our minds and take it up later:

Notwithstanding anything contained in this Act, if the Lieutenant-Governor in Council of any province has authorized, or authorizes, any officer of the provincial government to act as custodian and trustee under this Act, the Official Receiver shall in the case of any assignment by a person engaged solely in farming or the tillage of the soil appoint such officer as custodian.

Hon. Mr. LYNCH-STAUNTON: That would be better.

Hon. Mr. WILLOUGHBY: I think that would be much better. That would meet the suggestion of the honourable leader on this side (Hon. Sir James Lougheed).

Hon. Mr. DANDURAND: If the Senate is ready to accept this amendment, I will propose it.

Hon. Sir JAMES LOUGHEED: That is all right.

Hon. Mr. DANDURAND: Then I propose that the words, "charged under a provincial statute with duties which in the opinion of the Lieutenant-Governor in Council are analogous in any respect to the duties of custodian and trustee," be struck out.

Hon. Sir JAMES LOUGHEED: You have not put in after the word "authorized" the words, "or authorizes."

Hon. Mr. DANDURAND: Instead of "has authorized" we will say "authorizes."

Hon. Mr. LYNCH-STAUNTON: Now you have it.

Hon. Mr. DANDURAND: Would the honourable Chairman read the clause as amended?

The CHAIRMAN: The clause as amended reads:

Notwithstanding anything contained in this Act, if the Lieutenant-Governor in Council of any province authorizes any officer of the provincial government to act as custodian and trustee under this Act, the Official Receiver shall in the case of any assignment of any person engaged solely in farming or the tillage of the soil appoint such officer as custodian.

Hon. Mr. LYNCH-STAUNTON: That is all right. "The Official Receiver shall appoint such officer as custodian." Is there a custodian under the Dominion statute?

Hon. Mr. DANDURAND: Oh. yes.

Section 4 was agreed to.

On section 5—priority of existing judgments in certain Provinces:

Hon. Mr. LYNCH-STAUNTON: What is the meaning of that?

Hon. Mr. BEAUBIEN: Will my honourable friend give us some explanation as to this clause?

Hon. Mr. DANDURAND: I will. The present subsection 16 of section 11 is to this effect, that judgments in New Brunswick and Nova Scotia registered before the Bankruptcy Act came into force shall not be affected by subsections 1 and 10, which give priority to the assignment or receiving order. The reason is that a judgment in those provinces is regarded as a security. The legal hypothec in Quebec is similar and should have been similarly provided for. The amendment will remedy this omission.

Hon. Sir JAMES LOUGHEED: My honourable friend will admit, I fancy, without any hesitation that a judgment in the province of Ontario or the other provinces is quite as valuable to the holder as in Nova Scotia, New Brunswick or Quebec. Why should this discrimination take place? Hon. Mr. DANDURAND: If my honourable friend will tell me why he made the discrimination in favour of Nova Scotia and New Brunswick when he brought in the Bankruptcy Bill, I will tell him why Quebec should follow suit.

Hon. Sir JAMES LOUGHEED: I disclaim being aware of the fact at the time. But I see no occasion for discrimination of this kind.

Hon. Mr. DANDURAND: I do not raise that question seriously.

Hon. Sir JAMES LOUGHEED: The judgment of the Court in favour of a creditor in any other province is quite as valuable to the creditor as the judgment in those three provinces. There could not be provincial legislation taking those judgments outside of the Bankruptcy Act, because when the Bankruptcy Act was passed, notwithstanding the priority which those judgments had, they came within the purview of the statute.

Hon. W. B. ROSS: This may be the explanation regarding Nova Scotia and New Brunswick. It is one form of security there, instead of taking a mortgage, to get a confession of judgment. That is recorded, and the statute says it shall bind a man's land as if it were a mortgage. Does such a form exist in Ontario?

Hon. Sir JAMES LOUGHEED: It is practically the same in the other provinces.

Hon. Mr. LYNCH-STAUNTON: We have not that in Ontario.

Hon. Mr. DANDURAND: Apparently this point was made in favour of the Nova Scotia and New Brunswick judgments, and was not made for Ontario. But I may say that Quebec is absolutely on all fours—that in Quebec a judgment against a debtor, which is registered, stands and has the full effect of a mortgage or hypothec.

Hon. Mr. LYNCH-STAUNTON: So it does in Ontario.

Hon. Mr. DANDURAND: I will not speak for other provinces. I know of my own province, and Quebec judgments should have been excepted, as Nova Scotia and New Brunswick judgments were. It is because of the omission that the Department of Justice, in response to representations from judges who are applying the Act, is suggesting the amendment. But now if honourable gentlemen belonging to the Bars of the other provinces claim that their situation is similar, and if the principle is good, there is no reason why it should not be made universal and maintained in all cases.

Hon. Sir JAMES LOUGHEED.

Hon. Mr. BEAUBIEN: There is a very good reason in the province of Quebec. The Civil Code states very clearly that when the judgment is registered it stands as a mortgage, unless it has been registered within thirty days of the bankruptcy. In that case the onus is on the holder of the mortgage to establish his good faith. Now, I understand, that is going to be done away with altogether.

Hon. Mr. DANDURAND: No.

Hon. Mr. BEAUBIEN: There was an exception made in the law as drafted, which exception now disappears?

Hon. Mr. DANDURAND: No, no. There was an exception made in favour of Nova Scotia and New Brunswick, and it did not cover the Quebec case.

Hon. Mr. LYNCH-STAUNTON: Is it the law of Quebec that if I borrow \$500 from a man, I give him a judgment as a mortgage? That is what the honourable gentleman says is the law in Nova Scotia.

Hon. Mr. DANDURAND: It may be in Nova Scotia, but it is not that in Quebec.

Hon. Mr. LYNCH-STAUNTON: Your law in Quebec is the same as ours in Ontario.

Hon. Mr. DANDURAND: That is, we must sue and obtain judgment.

Hon. Sir JAMES LOUGHEED: Yes, and the writs of execution are placed in the hands of the sheriff?

Hon. Mr. DANDURAND: No. We register the judgments.

Hon. Sir JAMES LOUGHEED: But they have binding effect. All these lands are tide up by reason of such judgments.

Hon. Mr. DANDURAND: Of course I cannot speak as to the law in the various provinces, but apparently Nova Scotia and New Brunswick are exempted, because their judgment, registered, had the value of a mortgage security; and Quebec is in exactly the same position. Representations have come from the judges who administer this Act in the province, and the words, "and Quebec" are sough to be added after "Nova Scotia, New Brunswick."

Hon. Mr. BEAUBIEN: The effect of the clause, I understand, is to make a distinction between the mortgages registered prior to the coming into force of the Act and the judgments to be registered afterwards. I am dealing purely and simply with what will happen after the Bankruptcy Act comes into force. Is it or is it not a fact that after the Act comes into force a judgment registered in the province of Quebec will not have priority over the bankruptcy? That is what I want to know.

Hon. Mr. DANDURAND: I will read subsection 16 of section 11 of the Act, as it stood:

(16) The provisions of paragraphs one and ten of this section shall not apply to any judgment or certificate of judgment registered against real or immovable property in either of the provinces of Nova Scotia and New Brunswick prior to the coming into force of this Act, which became, under the laws of the province wherein it was registered, a charge, lien or hypothec upon such real or immovable property.

Hon. Sir JAMES LOUGHEED: My honourable friend is familiar with the law of Quebec. May I ask him if it is not possible to register any judgment that may be obtained in that province? Does it not become a lien or a hypothec?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: Then it gives a superior standing to a judgment in Quebec?

Hon. Mr. BELCOURT: A priority.

Hon. Sir JAMES LOUGHEED: A priority as against the other provinces? A judgment in the other provinces has the same effect, I presume. Writs of execution, when issued, are chargeable against the lands of the debtor, and he cannot dispose of the lands without satisfying the judgment. In the western provinces the judgment gives priority to the judgment in the order in which it was registered.

Hon. Mr. BELCOURT: The filing of an execution in Ontario does not give the creditor any priority except as to his costs.

Hon. Mr. LYNCH-STAUNTON: Neither does it in Quebec.

Hon. Mr. BELCOURT: Yes, it does. The situation in Ontario is entirely different from what it is in Quebec. A judgment registered in Quebec, with the notice prescribed, gives the holder a priority over ordinary creditors —practically a mortgage; but it is not so in Ontario.

Hon. Sir JAMES LOUGHEED: In what way would it be possible for this Bankruptcy Act to have an effect upon any judgment in the province of Quebec?—because immediately the judgment is obtained it is registered.

Hon. Mr. BELCOURT: No; the judgment is registered, but it is registered in the court, with the Prothonotary, and is entered into the official books kept by the Prothonotary. Hon. Mr. DANDURAND: The Registrar.

Hon. Sir JAMES LOUGHEED: What nature of a judgment would not be exempted from this Act?

Hon. Mr. BELCOURT: In order to have priority, or to create a real right of some sort, you have to register with the Registrar of the registration division of the county, accompanied with a notice that you want the judgment to affect such and such property, which must be described, and if the property is not described, you get no lien or priority.

Hon. Sir JAMES LOUGHEED: Could not that be done with different judgments?

Hon. Mr. BELCOURT: No, because it is only occasionally you have to register a judgment, and that must run against the property. Frequently the judgment you get against debtors who have no real property, and there is no occasion to register that judgment unless the real estate owned by the debtor is to be affected by the judgment.

Hon. Sir JAMES LOUGHEED: In the judgment is the subject-matter a specific property?

Hon. Mr. BELCOURT: Yes, and a certified copy of the judgment of the court must be accompanied with the notice to the Registrar calling upon him to register that particular judgment against that particular property. Unless it is accompanied by that notice, it is of no use at all.

Hon. Mr. DANDURAND: Allow me to draw attention to the fact that this legislation will only effect judgments which were registered before the coming into force of this Act in 1920. That is very important.

Hon. Mr. BEAUBIEN: I would like to ask my honourable friend if the registration of the privilege or mortgage created by a judgment is clearly within the rights of a province? It is a method of distributing the assets of the person in bankruptcy; how can the Federal power interfere with that?

Hon. Mr. DANDURAND: We obviate that question being raised, as far as the province of Quebec in concerned, by reinstating the parties who had a prior claim by registration of a judgment before this Act came into force—reinstating them as to the rights which they had acquired under the registration.

Hon. Sir JAMES LOUGHEED: But what about cases where the judgment passed into the hands of the trustee—because before the passage of this Act evidently they passed over to the trustee in the province of Quebec. Up to the date of the passage of this Act those judgments evidently became subject to the Bankruptcy Act, otherwise you would not pass this legislation.

Hon. Mr. DANDURAND: Yes, but there may be litigation about it.

Hon. Sir JAMES LOUGHEED: Suppose the subject-matters of those judgments had passed into the hands of the trustee, who perhaps sold and distributed them among the creditors, what then?

Hon. W. R. ROSS: It would reopen the whole winding-up proceedings.

Hon. Sir JAMES LOUGHEED: How are you going to reinstate those judgments which have been dealt with in a bankrupt estate? The property may have been liquidated, may have been distributed by the trustee.

Hon. Mr. DANDURAND: I doubt very much if any one could take advantage of this legislation.

Hon. Sir JAMES LOUGHEED: But if the trustee had not done so he was not performing his duty.

Hon. Mr. DANDURAND: The Bill says: (16) The provisions of subsections one and ten of this section shall not apply to any judgment or certificate of judgment registered against real or immovable property in either of the provinces of Nova Scotia, New Brunswick and Quebec prior to the coming into force of this Act, which became, under the laws of the province wherein it was registered, a lien or hypothec upon such real or immovable property.

Hon. Mr. LYNCH-STAUNTON: I think you had better let that stand.

Hon. Sir JAMES LOUGHEED: You will have to work out some scheme.

Hon. Mr. BEIQUE: It could not affect the proceeds of property that has been distributed.

Hon. Sir JAMES LOUGHEED: Then you ought to so provide, because you remove the status of those estates in Quebec back to this particular date.

Hon. Mr. DANDURAND: I will not press this section; we will leave it in abeyance.

Hon. Mr. BEAUBIEN: In the coming into force of this Bill I want to ascertain whether a mortgage registered on the estate of a party who falls into bankruptcy will preserve the rank granted to it according to the civil courts?

Hon. Mr. DANDURAND: Yes, taking for granted that this Bill passes and this amendment is incorporated in the Act, I say that judgments registered prior to 1920, coming into force under the Bankruptcy Act, will retain Hon. Sir JAMES LOUGHEED. their privileges and their rank. If our law is constitutional, all judgments registered subsequent to the coming into force of the Bankruptcy Act of 1920 will be subject to the registration under the Bankruptcy Act.

Hon. Mr. BEAUBIEN: Which means that they will lose their rank?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: That is to say, it completely wipes out the article of the Civil Code which states that the judgment should have priority according to the date of its registration. How can my honourable friend maintain that that is constitutional?

Hon. Mr. DANDURAND: I am not discussing that at all.

Hon. Mr. BEAUBIEN: But it is time for us to consider that.

Hon. Sir JAMES LOUGHEED: That is to say, if it does not come under the Bankruptcy Act its validity is maintained.

Hon. Mr. DANDURAND: If the Bankruptcy Act is unconstitutional, whenever it tries to vary the Civil Code of the province of Quebec, then the judgment registered prior to 1920 or after will have full force and effect, but the courts will have to say so.

Hon. Mr. BEAUBIEN: It is equivalent to saying: "We will pass it, and leave it to the courts to decide."

Hon. Mr. DANDURAND: I am trying to cure what I think to have been a gross injustice created towards those who had a judgment registered prior to the coming into force of the Bankruptcy Act in the Province of Quebec. They had acquired rights when they obtained their judgments. My honourable friend says: "But you are leaving the principle in the Act that the judgments of the court will have no effect if they are not registered up to 1920." That is true, but it will be for my honourable friend to go back upon the principle which is allowed in the Bankruptcy Act. If he does, then we will consider it.

Hon. Mr. BEAUBIEN: If there is an evil we should try to cure it, but it seems to me quite evident that there is a lack of jurisdiction.

Hon. Mr. BELCOURT: I am not so sure about that.

Hon. Mr. WILLOUGHBY: Is it retroactive?

Hon. Mr. BELCOURT: No, I would not call it retroactive.

Hon. Mr. LYNCH-STAUNTON: It is certainly retroactive.

Hon. Mr. BELCOURT: I see no objection to this legislation, because the section only speaks of the date of the Act having come into force, and it cannot possibly include any judgment which has been rendered since. It may be that we are not curing the whole trouble: that in the meantime, since 1920, judgments have been rendered in the province of Quebec which, if this provision had been inserted in 1920, would have protected those judgments and secured to them the priority which they secured by registration. How we are going to cure that I do not know. Of course this cannot apply to other judgments in Quebec: it only applies to judgments which have been subject to liquidation under the Bankruptcy Act.

With regard to the question of constitutionality, may I remind my honourable friend that the Privy Council time and again has held that when the Parliament of Canada is dealing with subjects which are quite within its jurisdiction it may incidentally make provisions which are in absolute conflict with matters of provincial legislative jurisdiction. Parliament can affect, and has in many instances seriously affected, the law of property and civil rights in the Province of Quebec; but it has been held by the Privy Council that this is quite permissible when Federal jurisdiction is being exercised in regard to a subject clearly within that jurisdiction.

Hon. Mr. BEAUBIEN: That is not incidental.

Hon. Sir JAMES LOUGHEED: The only way the honourable gentleman from Montarville (Hon. Mr. Beaubien) could be satisfied as to the point he has raised would be by a declaration in this Act that all judgments so registered should not come within this Act. That would be an anomalous condition.

Hon. Mr. BELCOURT: You cannot do that, because some of those judgments have been disposed of under the provisions of the Bankruptcy Act.

Hon. Mr. BEIQUE: The point raised by the honourable gentleman from Montarville has a great deal of force to this extent: That a judgment obtained before the passing of the Bankruptcy Act and registered on a property constituted an acquired civil right. It gave a preference to the creditor under the civil law; therefore there was a civil right acquired. I think it is not within the province of the Federal Parliament to destroy that civil right. I am agreed with the honourable gentleman from Ottawa (Hon. Mr. Belcourt) that judgments have been rendered by the Privy Council that put it within the power of this Parliament in legislating on bankruptcy to govern the acquisition of civil rights or to prevent the claiming of civil rights after the passing of the Bankruptcy Act.

Hon. Mr. DANDURAND: I think this discussion has clarified the situation to a considerable extent.

Hon. Sir JAMES LOUGHEED: And confused it likewise.

Hon. Mr. DANDURAND: I will move that the clause stand so that we may see if there is any necessity of adding a proviso which will cover the liquidation of estates in which there were judgments registered before the Bankruptcy Act of 1920, and in which the whole liquidation has taken place and the trustee has obtained his discharge.

Section 5 stands.

Section 6 was agreed to.

On section 7-dealings with undischarged bankrupts:

Hon. Mr. LYNCH-STAUNTON: Who is the "authorized assignor?"

Hon. Sir JAMES LOUGHEED: In what way is he authorized? What does that adjective mean?

Hon. Mr. DANDURAND: The "authorized assignor" is one who has gone to the official receiver and has made an abandonment of his property. When he is authorized to make that abandonment, he is an authorized assignor.

Hon. Mr. LYNCH-STAUNTON: He is a bankrupt.

Hon. Mr. DANDURAND: Yes, but he has not yet been declared a bankrupt.

Hon. Mr. BELCOURT: Why is he called "authorized?"

Hon. Mr. DANDURAND: Because he has been duly authorized to do so by the statute.

Hon. Mr. JAMES LOUGHEED: He has done it voluntarily. I think that is an unfortunate expression.

Hon. Mr. DANDURAND: An authorized assignor is one whose debts exceed \$500.

I have an amendment to suggest, namely, to insert after the word "order" the following words, "or authorized assignment," Hon. Mr. BEIQUE: Will not this have the effect of validating transactions which may not be valid?

Hon. Mr. DANDURAND: We have the words "bona fide."

Hon. Mr. BEIQUE: It may be a transaction with a bona fide creditor, but under the law it might be void because it would have the effect of giving an undue preference to a creditor. I would suggest putting in the words "if otherwise valid."

Hon. Mr. DANDURAND: Section 34 is intended to validate transactions by a bankrupt—that is one against whom a receiving order has been made—in property acquired by him after the receiving order. The section should be extended to transactions by an assignor—a voluntary bankrupt—with respect to property acquired by him after he has made an authorized assignment. Such property, since the amendments of 1923, belongs to the creditors as a result of section 25, just the same as property acquired after a receiving order. These changes should have been made in 1923.

Hon. Mr. BEIQUE: My amendment does not defeat the object in view, but it would prevent validating transactions.

Hon. Mr. DANDURAND: My honourable friend takes no issue with the form of the proposed amendment, but claims that it should be further amended.

Hon. Mr. BEIQUE: Yes.

Hon. W. B. ROSS: I do not think the suggested amendment is needed at all. The section applies only to property, real or personal, that the bankrupt acquires after the vesting order is made. If a conveyance was made to a creditor with a view of giving that creditor a preference, it would not be in good faith, it would be a clear breach of the Bankruptcy Act.

Hon. Mr. BEIQUE: Well, I withdraw my suggestion.

Section 7 was agreed to.

On section 8-discharge of trustee:

Hon. Mr. DANDURAND: In section 8 the words "the trustee fails to make such application accordingly" are added, and in paragraph 3, between the words "or the court" and the words "and proof," the following words are struck out:

-a period of two years has elapsed, after payment of the final dividend.

Hon. Mr. LYNCH-STAUNTON: At present the law is that a trustee may receive five per cent and the solicitor five per cent. Hon. Mr. DANDURAND. Under this section the trustee must produce his accounts and have them approved by the inspectors or by the court. A great many abuses have crept in. I am told that charges, both by solicitors and by trustees, have been in excess of the costs allowed under the Act, because the inspectors did not understand the statute. I therefore move that we strike out the words, "the inspectors or."

Hon. Mr. DANDURAND: In what line?

Hon. Mr. LYNCH-STAUNTON: In lines 2 and 3 of subsection 3. That would render it necessary for the trustee to submit his accounts to the Court. The judge understands what the trustee and the solicitors are entitled to; the inspectors do not. The clause would then read:

When the trustee's receipts, disbursements and accounts have been approved in writing by the Court-

-that is, the judge in bankruptcy. I think it should have read that way in the beginning.

Hon. Mr. DANDURAND: The only objection that I see is that it will add costs.

Hon. Mr. LYNCH-STAUNTON: No. The Act limits the costs to a percentage. It will not add any costs.

Hon. Mr. BEIQUE: It will not add any costs.

Hon. Mr. DANDURAND: There is this advantage I see, that very often the inspectors happen to be disinterested in the liquidation.

Hon. Mr. LYNCH-STAUNTON: The inspectors pass things without understanding them.

Hon. Mr. BEIQUE: I am in sympathy with the proposed amendment.

Hon. Mr. DANDURAND: Of course, I cannot bind the Minister of Justice, but we will send the matter to him with the honourable gentleman's amendment.

Hon. Mr. LYNCH-STAUNTON: Very well. You will allow it to stand in the mean-time?

Hon. Mr. DANDURAND: No; we will pass it.

The amendment of Hon. Mr. Lynch-Staunton was agreed to, and section 8 as amended was agreed to.

On section 9—examination of bankrupt by Official Receiver:

Hon. Mr. DANDURAND: Under subsection 1 of section 54 the authorized assignor is required to present himself for examination before the Official Receiver without an order of the court. However, in the case of corporations there is no provision to indicate what officer is to present himself. This amendment is designed to make good this omission.

Section 9 was agreed to.

On section 10—certain facts on which discharge may be refused, suspended or granted conditionally not to apply to farmers:

Hon. Mr. DANDURAND: I had occasion on the second reading to explain why this clause was put in. Subsection 5 of section 58 provides that the court shall refuse or suspend the discharge, if any of the facts mentioned in section 59 are proved against the insolvent. The facts mentioned in paragraphs (b) and (c) are that the insolvent has omitted to keep books and that he has continued to trade after knowing himself to be insolvent. It is represented that in the case of the insolvent farmer the proof of these two facts should not disentitle him to a discharge, because few farmers keep books and a bad crop may render the farmer insolvent but he cannot discontinue farming.

Section 10 was agreed to.

On section 11—power to Minister of Justice to authorize certain judges to exercise powers of the court, etc.:

Hon. Mr. DANDURAND: The present subsection 6 of section 64 authorizes the Minister of Justice to assign county or district judges to exercise the bankruptcy jurisdiction if the Chief Justice of the province reports that the judge of the superior court is unable to exercise the jurisdiction. However, it is desired to enable the Minister to give jurisdiction to the local judges in addition to that exercised by the superior court rather than in place thereof. Furthermore it is desired to enable the Minister to limit the jurisdiction conferred if he thinks it advisable; for example, to give them the judicial authority of registrars only.

Section 11 was agreed to.

On section 12—who may practise as barristers, etc., in bankruptcy courts:

Hon. Mr. DANDURAND: The repeal of section 87 is proposed because it has resulted in barristers from one province pleading in the court of another province in bankruptcy proceedings. This section was justified when first enacted, because it was thought that Parliament was establishing new Federal Courts of Bankruptcy. However, the scheme of the Act undoubtedly now is that Parliament merely confers jurisdiction in bankruptcy on the provincial courts, and consequently Parliament has no authority to enable barristers of one province to practice in another. The section is likely ultra vires.

Section 12 was agreed to.

On section 13—penalty for acting as trustee without bond:

Hon. Mr. DANDURAND: Paragraph (b) of section 96 is merely to make a change which should have been made in 1923 and has the object of making the section articulate with section 14.

Section 13 was agreed to.

Section 14 was agreed to.

Hon. Mr. DANDURAND: I do not know how many clauses we have allowed to stand.

Hon. Mr. BEIQUE: Just one.

Progress was reported.

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

THE SENATE

Tuesday, May 19, 1925.

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST READING

Bill I4, an Act for the relief of Sidney Charles Simmons.—Hon. Mr. McCoig.

COMMUNISM IN CANADA

INQUIRY AND DISCUSSION

Hon. C. P. BEAUBIEN inquired:

Is the Government aware that President McLeod, Vice-President McDonald, and Secretary McKay of the United Mine Workers of America, District 26, publicly took part in the Communist demonstration held at Glace Bay, N.S., on the 1st inst., and that all three walked behind the red flag at the head of their respective sections on that occasion.

Hon. Mr. DANDURAND: Stand.

Hon. Mr. BEAUBIEN: I would like to say just a few words on the inquiry which stands in my name. I intend to be very brief, but I think that I owe it to the House, if not to myself, to give a few explanations.

The Hon. the SPEAKER: I would point out to the honourable gentleman that the wording of his inquiry does not entitle him to address the House. With the leave of the House he can do so. Hon. Mr. BEAUBIEN: I would then crave the leave of the House to say a very few words. I really thought that the rules did allow me to speak on the question as put.

Hon. Mr. DANDURAND: Not unless the honourable gentleman's notice says he "will draw attention to."

Hon. Mr. BEAUBIEN: I am sorry. It is my mistake, and I hope I shall find forgiveness.

Hon. Sir JAMES LOUGHEED: You are forgiven.

Hon. Mr. BEAUBIEN: The discussion on the troubles in the mines in Nova Scotia has drifted until it has become somewhat personal. I do not want to look at it in that light, but I take it that every member of this House who speaks in the strain in which I did must be able to back up everything he says, and that if he does not, he brings discredit on the House. The honourable gentleman from Welland (Hon. Mr. Robertson) said that it was very regrettable that public men should think fit to make deprecatory remarks about a body of honest men from the United States who have come here by reason of their official calling. He went on, and practically stated that the remarks which I had made before this House were totally unjustifiable as far as the U.M.W. was concerned. I would recall that not one fact quoted by me and placed before this House was challenged by the honourable gentleman. It remains, therefore, that the association for which he claims forty years of existence without the violation of one contract has violated in the present instance, at several times, contracts which it has made. There was no challenge of the facts put before this House; still the honourable gentleman stated that the statements which I had made ought at least to have been proven. I am going to ask this House to bear in mind this fact: that the only justification which the U.M.W. can have is that all the trouble, all the lack of good faith manifested down in Nova Scotia, was absolutely outside of its jurisdiction.

What are the real facts? In 1918, after repeated efforts, the United Mine Workers were allowed to come into the field of labour in Nova Scotia and New Brunswick on the understanding that, conditions being different in Canada, the wages of the men were not to be predicated on wages in the United States. In other words, the avowed policy of the U.M.W. is that the supply of coal in the Hon. Mr. SPEAKER. United States always exceeds the consumption, and that, whatever may be the wages paid the men, the operators will always have to close the expensive mines, and shift and open up cheap ones; they will never bore beyond a certain depth under the ground but will go to cheaper mines that are practically outcrops, and that a uniform load of labour must be carried by the operatives. Everybody knows that such conditions do not exist here-that Nova Scotia coal has to be dug for at an excessive cost. Therefore the United Mine Workers were notified that if they entered the field, in fixing the wages of Canadian miners, they must always take into account the fact that conditions on this side of the line were different from those prevailing on the other side of the line.

The U.M.W. have been in absolute control in Nova Scotia since 1918, and can anybody contend that what has been done by the U.M.W., District No. 26, entails no responsibility for them? Do you know, honourable gentlemen, how much money the U.M.W. of America got from the coal fields of Nova Scotia during the course of last year? \$246,000 was the amount that the British Empire Steel Company was constrained to pay to these people. Why was it paid? Was it accepted without any responsibility attached to it? Have the U.M.W. no control over their men? In 1922-23 one McLachlan used seditious language, and what did they do? He was arrested, of course, and put in prison, and immediately he was kept, so to speak, in the dark, and a new set of men came-a new president in the person of McLeod, and a new secretary in the person of McKay. These were the men who took the reins of government of the U.M.W. down there. What have they done since then? Since then violation of the contracts took place; since then there has been a persistent refusal to accept any tribunal. But that is not all. I said that the result of the coming of the U.M.W. was persistent labour troubles, and I am going to establish that fact.

I have the evidence here to prove what I have said of the Crows Nest Pass difficulties. It is taken from the Coal and Fuel Record of March 1st, 1925, published in Vancouver, and I think that when honourable gentlemen read it and compare it with my speech, the verdict will be that instead of going beyond, I have kept well within the limits of the facts:

Crow's Nest Pass Coal Co. and the Miners

The Crow's Nest Pass Coal Company has one of the most valuable coal properties in North America. The coals produced are high grade bituminous, specially adapted to railway, steam, smithy and coking uses. The company's mines are splendidly equipped for economy and safety of operation. They are under first-class management, W. R. Wilson, President and General Manager, having an international reputation through his successful operation of coal mines in Great Britain, the United States, Canada and South Africa. The mines have a present annual capacity of 1,000,000 tons of coal and 200,000 tons of coke. They could produce 10,000 tons a day if called upon to do so, and their full operation could make Fernie the largest and most important inland city in British Columbia.

Unfortunately, during the war, the Dominion Government undertook the direction of coal mine operations throughout Canada, on the plea that the output of coal must be maintained, at whatever cost. The miners were organized under the United Mine Workers of America, controlled by foreign influences adverse to the war, and often influenced by membership of nationals opposed to the Allies or unsympathetic with them. As a result every opportunity was taken advantage of by the United Mine Workers to make trouble, demand higher wages, or insist on working conditions which increased cost of operation and reduced the efficiency of labor. This resulted in instability of operations. The Government conceded all demands in the effort to keep the nation supplied with fuel.

Owing to the frequent strikes and spasmodic operations, sometimes extending only over half the year, the railways found they could no longer depend on the coal supply for their fuel requirements, and were forced to substitute fuel oil. Smelters formerly using Crows' Nest coke had to place their orders elsewhere. The Great Northern Railway interests, which control the Crow's Nest Pass Coal Co., and were consumers of as much as 2,000 tons a day, had to withdraw their business from their own mines. As a result the market for the company's coal became disorganized; miners had to go on short time; production decreased; and the former prosperous condition of the industry gave way to depression in the company's operation as well as in trade generally.

The last strike, extending from April till November of last year, was the straw that broke the labor camel's back. So long out of work, and with the United Mine Workers unable to finance the maintenance of the men it had called out, misery and want followed months of idleness. Some of the miners sought work in the metal mining camps or in the logging camps. In the former they found the work harder and the pay less than in the coal mines, and longed to get back to their regular occupation. The depression in the lumber industry again threw out of work those who were finding temporary relief there. When the Legislature met at Victoria, one of the first items of business was the demand of Thos. Uphill, M.L.A., for charitable aid from the Provincial Government for the miners out of work at Fernie. He painted a dismal picture of their distress, and that of their families for which they had themselves entirely to blame. They were not entitled to relief under the circumstances, but in the bigness of its heart the Government arranged to start road works for the temporary employment of the miners. Government wages on public works did not compare with what they had been earning in the mines; and the out-door work amid snow and ice at that season was far from congenial.

Mr. Wilson, as General Manager of the Crow's Nest Pass Coal Company, had long forseen the conditions ahead, and had at various times tried to reason with the men in an effort to arrive at a permanent basis of operation to the mutual advantage of the company and the miners. The United Mine Workers were controlled by a force of bolshevists, and they were successful in resisting all attempts at a settlement until, in their desperation, the miners determined to throw over the organization which had been responsible for so much trouble and distress among themselves as well as

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the community dependent upon them. They approached Mr. Wilson to ascertain how far he could assist them in their desperate condition. He told them candidly the conditions of the industry; pointed out that its resumption and revival depended mainly on themselves; showed them that on the high scale of wages, war bonus, and working conditions that had existed during the past few years, it was impossible to find markets at the high prices which, under existing conditions, the company was obliged to make for its production; how the smelters could afford to bring coke from Pennsylvania at less cost than the company could supply them; and told them the conditions that must obtain in a lowering of the wage scale and discontinuance of the war bonus in order that the cost of coal and coke could be reduced, new markets found and means of increased employment provided.

The men accepted the terms, and in a short time their troubles with the company and the industry were swept away. The mines at Coal Creek and Michel resumed work. Mr. Wilson himself went to St. Paul to obtain new markets for the company's coal and brought back orders, for something like 2,000 tons a day. The coke ovens at Fernie and Michel were re-opened. With the reduced cost of coal the necessary cut was made in the price of coke to supply the smelters. As if by magic the industry was revived, and placed on a satisfactory basis to all concerned. The company even made the miners an advance of their wages to help them over the Christmas season.

Fernie is again prosperous. The mines are operating to the limit of the market demand. Crow's Nest Pass coal and coke are again serving the market from Vancouver to Winnipeg. The company may secure a new order for 600,000 tons of steam coal on which bids are being invited. The men have reorganized under a local union, known as the British Columbia Miner's Association, and are through with the United Mine Workers.

The fact is that all this trouble could have been avoided years ago by a reasonable attitude on the part of the men themselves. The losses they have suffered lie entirely at their own door. The object lesson is the best possible argument for the recognition of the mutual interest that exists between employer and employee. The day has passed when employers are autocratic or unreasonable. They appreciate only too well the value of co-operation and mutual goodwill on the part of their employees in their common interest.

The Crow's Nest Pass Coal Company is no profiteer or grasping employee. For years it has not paid more than 6 per cent interest to its shareholders, and in some years has not been able, owing to the unsettled conditions of labor, to pay any dividend at all. That is not a fair return to investors in a wasting industry like coal mining, in which allowance should be made for depletion of the asset by the coal mined from year to year as well as interest on capital.

Mr. Wilson, his officials and the miners are to be congratulated on the amicable settlement arrived at; and it is to be hoped it marks the dawn of a new day in the prosperity of British Columbia's largest coal mining operation, as well as success for the company and satisfactory conditions for the miners. This is a day of co-operation on the part of all engaged in any particular industry. Success or failure must depend on the desire of the management to give the best possible consideration to the interest of employees; while it is up to employees to give the employer the best possible support and value in the service in which they are engaged in any particular industry.

Hon. Mr. BRADBURY: Who is responsible for the publication?

Hon. Mr. BEAUBIEN: It is a well known publication dealing with coal and fuel.

I am going to ask permission also to place upon record two affidavits establishing that the President, the Vice-President and the Secretary-all the officers of the U.M.W., District 26-marched in the Communist demonstration at Glace Bay on the 1st of May.

I, Angus McAuley, in the Town of Glace Bay, in the County of Cape Breton, Police Sergeant, make oath and say as follows :-

That on the first day of May, A.D., 1925, I personally saw Mr. J. W. McLeod, President of the United Mine Workers, District No. 26, Mr. Joseph Nearing, Vice-Morkey, Dresider No. 20, Mill obsept Advance, Mill, Miller, A. A. McKay, Secretary-Treasurer of the same organization, marching in the "May Day" parade on Union Street, in the Town of Glace Bay.

Angus MacAuley.

Sworn to before me at Glace Bay, in the County of Cape Breton, this Fifteenth Day of May, A.D., 1925. F. C. Simonson,

A Justice of the Peace, in and for the County of Cape Breton.

I, George M. Kehoe, of the Town of Glace Bay, in the County of Cape Breton, Patrolman, make oath and say as follows :-

That on the first day of May, A.D., 1925, I personally saw Mr. J. W. McLeod, President of the United Mine Workers, District No. 26, and Mr. Josepr Nearing, Vice-President of the same organization, marching in the May Day parade on Commercial Street, in the Town of Glace Bay.

George M. Kehoe.

Sworn to before me at Glace Bay, in the County of Cape Breton, this Fifteenth Day of May, A.D., 1925.

F. C. Simonson,

A Justice of the Peace, in and for the County of Cape Breton.

You see these gentlemen, representing an honourable and respectable body of menbecause they are part and parcel of the U.M. W .- walking behind the red flag? We all know, honourable gentlemen, what the red flag stands for, so I will not dilate upon that. We know what it has meant for Russia: it has meant her doom; murder and arson; but that is her concern. If the Russians want to take women and treat them as cattle, that also is their concern. If they have gone beyond the natural instinct of paternity and have thrown their children, so to speak, into the community, and the father does not want to know his son, that is their concern. But I say our duty is to resist such a perverse movement. Wherever the red flag is raised in Canada it is an attack on our system and our civilization. Can anybody deny that? Why has McLeod, the President of District 26, marched behind I do not think McLeod is a the red flag? chap of naturally vicious instincts, but he has been constrained to walk in that procession behind the red flag. Why has the Vice-President been constrained to walk there? Have we heard any word of protest? What would happen, I would like to ask, if an official of a large corporation had committed an act of that nature and was not repudiated? Hon. Mr. BEAUBIEN.

I can see my honourable friend getting up then and reading a lesson to capital-and he would be quite right. But, honourable gentlemen, what are we going to conclude from conduct of this kind? There are these men, all officers, accepting what the red flag stands for; and, forsooth, nobody has the right to open his mouth in Parliament and condemn ideas of that kind. It is of that that I am guilty.

I do not want to say what the U.M.W. have done in the United States. Perhaps my honourable friend can remember what they did in Herrin, Illinois. The most dastardly crime ever perpetrated by labour was committed there after the message from Mr. Lewis came stating that surface men, I think they call them, a steam shovel association of some kind, were strike-breakers purely and simply and should be dealt with as such. Honourable gentlemen will remember that no less than fifty of those men were taken out of the mine under a flag of truce, and that as soon as they were out they were lined up before a barbed wire fence and shot to pieces by five hundred miners. Nineteen of those men were left dead on the ground, and many others died afterwards. Is that a commendable act? In a discussion of this kind where people are looking for the cause of trouble I claim the right to point to it, although I do not want to go beyond what has taken place in our country. So long as we have foreign elements, whether they come from across the line or from Europe, that sustain distrust and trouble between capital and labour, so long shall we have unrest and all its terrible consequences, and I say that if there is any remedy at all it lies in the good strong hand of the Government, whatever it may be, to protect us against contamination of that kind.

I thank you, honourable gentlemen, for your courtesy in listening to me.

Hon. W. A. GRIESBACH: Honourable gentlemen. I feel that the observations of the honourable gentleman from Montarville (Hon. Mr. Beaubien) afford me an opportunity of putting certain views before the House which bear upon this question. I agree with the conclusion expressed in the closing words of the honourable gentleman who has just sat down, as to the desirability of a strong hand upon the part of the Government in this matter, but I arrive at that conclusion from somewhat different premises.

To begin with, it might be well to discuss precisely what it is that we in Canada are confronted with in connection with this question. Before the war we were familiar with the old-fashioned Socialist. There are many

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definitions of Socialism, but here is the one most generally accepted: Socialism is the collective ownership of things used collectively. I repeat: Socialism is the collective ownership of things used collectively, and the Socialist of the pre-war days believed that such a state of affairs could be brought about by constitutional means. Since the war we have the Communist. The Communist believes in Socialism, that is to say, the collective ownership of things used collectively, but he goes a step further. He says that the collective ownership of things used collectively can only be brought about and maintained by the dictatorship of the proletariat. Then he goes one step further than that, and says that the dictatorship of the proletariat can only be secured and maintained by force. Therein lies the difference between the Communist and the Socialist.

In all walks and classes of life to-day there is a struggle going on between the conservative-minded man and the radical-minded man. We find it in politics and we find it in business. We find it everywhere amongst men, and in particular do we find it amongst men engaged in labour with their hands, and more particularly in what we call the Trade Union movement in this country and in the Trade Union organization of this country do we find that grim struggle between the conservative-minded Trade Unionist and the radicalminded Trade Unionist.

May I give just a brief survey of what Communism has done where it has been tried. In Russia, as my honourable friend has pointed out, Communism has killed three million people, including nearly all the skilled and the educated classes, and the leaders in science, art and industry have been practically wiped out. It has destroyed their railway systems and their manufacturing plants; it has destroyed their religion and their culture. It has created an economic condition from which Russia will probably not recover for the next quarter of a century.

In particular, I draw your attention to the fact that Communism in Russia has enslaved the working classes and the agricultural classes. The evidence supporting that contention is so strong that it need not be referred to. Perhaps some honourable gentlemen may have read the articles of Mr. Marccoson appearing in the Saturday Evening Post. In our own Library here are to be found innumerable books and pamphlets and treatises dealing with the destruction in Russia of every good thing there, particularly the enslavement of the working and agricultural classes. Not content with what has been accomplished in Russia, Communism seeks to extend itself throughout the world by the most highly organized form of propaganda the world has ever seen, financed apparently by unlimited sums of money. Evidence of this propaganda is to be found in almost every civilized country to-day. It has manifested itself before the eyes of those willing to see it, particularly in these countries.

In South Africa in 1919 there was what amounted to a civil war, and in the inquiry which took place the roots and springs of that trouble were traced absolutely to Moscow.

In India the troubles which have occurred are traceable to the agitators sent out by the Third Internationale.

In Cape Breton the connection between the Communists in Russia and the Communists there is perfectly well known. Just a few days ago a cheque for \$5,000 came from Moscow. I believe it was refused, but the evidence of the connection between the Communists of Russia and those in Cape Breton is absolutely established.

Hon. Mr. BEAUBIEN: Will my honourable friend allow me to interject that that cheque has been accepted since.

Hon. Mr. GRIESBACH: Very well; that only makes my point the stronger, that the connection exists, that the money has been accepted, and that the powers in Moscow are largely responsible for the troubles in Cape Breton.

The Communists have appeared in France, and they constitute a problem there; and their intervention in England is well known by all those who read the English papers.

The Communists have appeared in Canada. On the first of this month there was a celebration of May Day in Edmonton in which there was a large representation of labour, and in the procession there appeared a company of individuals known as "the Young Communists"—young boys between the ages of twelve and sixteen. In Winnipeg, in Fort William, and at other points in the West, it is a matter of common knowledge that there exist so-called Sunday Schools, or schools which are held on Sunday, amongst the children who are gathered for the purpose of propagating the doctrines of Communism.

Perhaps I might read one or two extracts from the press which deal with the activities of the Communists in Canada. First, I will take Winnipeg:

Veterans Battle Communist "Army"-Winnipeg Stirred by Enlistment by Reds of City's Youths

Winnipeg, Jan. 24.—An organized campaign among the youth of Winnipeg by the military branch of the

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local Communist party, has brought forth widespread protest with the executve of the G.W.V.A. leading the counter-attack.

The "call to arms" drive is being directed by Malcolm Bruce of Toronto, who is a member of the international executive of the Communists. He intimated that the provisions of acceptance into the ranks of the "army" provided for a rigid test, and expressed satisfaction with the response to the call. The drive will continue for several days.

The activity of the Communists has brought forth a warning from the war veterans' organization. E. Browne-Wilkinson, dominion president of the Army and Navy Veterans, declaring that it was necessary to take a firm stand in the matter.

"Members of our association are pledged to continue their allegiance to the British constitution and we will do all in our power to assist the proper authorities to stamp out the Communist evil in our midst," he said.

In Drumheller a large mining camp in the province of Alberta, they had for some time a discussion which threatened to disrupt that community. I will read at length a report published in the Edmonton Bulletin of January 19:

Communists are in Revolt—School Board Faced With the Problem of Forcing Children to Respect Flag

Drumheller, Jan. 19.—The Drumheller School Board are at present coping with a minature rebellion which has broken out among the children in the school as regards saluting the Union Jack and singing "O Canada," and "God Save The King."

A very small minority, consisting of children of the very red communists, have refused to salute the flag and sing the national anthems, and when asked why they refuse to do so, state that their parents have instructed them not to do so. Lewis McDonald, the communist leader in Drumheller, openly challenged the School Board at their recent meeting to make his children salute the flag or sing the national songs, while he regaled the school trustees with the usual communist's line of talk about the British flag being the flag of hate of all other countries and the red flag, Russian's national broad-cloth, being the flag of love of all other countries.

The United Mine Workers' had a deputation at the trustees meeting of W. D. Lewis and Lewis McDonald, representing the Atlas Local, and Messrs Bryson and McLeod the Midland local, while the Canadian Labor Party was represented by Harry Smith, R. Hall and Mr. McGinnis. Most of these men were returned soldiers, but are very radical in their views and quite bitter against anything British. However, the interest centred around McDonald (known in the pugilistic world as Kid Brown) as he is the Superintendent of the Young Communist league class in Drumheller, of some hundred young boys, where all these ideas of a communist nature are instilled into the boys of tender years, and their actions, so the mothers claimed at the meeting, were due to his teachings and not to their instructions to their children. Several mothers of the boys, who were reported as refusing to salute the flag and disobeying the teachers orders, were present at meeting, while others had been interviewed privately, and they were unanimous in their claim that they had no objections to their children saluting the flag and singing the national songs. They claimed though that Burns (or McDonald) had a big influence over the boys.

Mrs. J. Thompson of Newcastle, also told of several mothers coming to her and asking if something could not be done to counteract McDonald's influence on their boys.

I would draw the attention of the House to the fact that, woven through this report Hon. Mr. GRIESBACH.

is the statement that you have an individual named McDonald, or Brown, who gets hold of the boys and teaches them Communist doctrines, which in turn get them into trouble with the School Board, and against the views and wishes of the parents of those children.

Principal Heywood of the schools reported that Mc-Donald's daughter, Kathleen McDonald, had stood up in school when the story of Edith Cavell was read and said that her father had told her that the story was all lies as were all war stories.

The board listened for over an hour to both sides of the question, and by an unanimous vote, decided to adhere to their original instructions to the school teachers and insist that every pupil in the school salute the flag and sing the national songs, when called upon in the daily routine of the schools. Any further disobedience was to be immediately reported to the board, when action will be taken through the proper channels and those responsible for the altogether unnecessary rebellion brought to justice. The Royal Northwest Mounted Police, under whose jurisdiction, such an action would come, are closely watching matters, and also McDonald's activities with his Young Communists League school. The vast bulk of the people in Drumheller are up in arms and are demanding that both the provincial and Dominion government take immediate action, pointing out that seditionary acts of men like McDonald are creating no end of trouble in a district, where there is such a fair percentage of foreigners.

Then on the other hand, McDonald claims that the Communitsts will fight the school board, Royal North West Mounted Police and the governments, if necessary, and it looks as if the air will not be cleared until the proper authorities step in and make whatever adjustment is necessary to maintain discipline in the schools and respect for the flag and national songs of Canada.

Of course, in fairness to the United Mine Workers of America, it must be said that the vast majority of their membership is against any interference with school discipline or acts of disrespect to the flag, while it must be borne in mind that the Communist party is entirely separate from the United Mine Workers.

Now I will read from a paper published in Toronto called The Worker, merely to establish the fact that the Communists are here, all over Canada, and are at work. This paper published on the 17th January last an appeal that was being issued by the Communist party, synchronizing with the date I gave a moment ago—an appeal for men for the Communist army, so called, in January, 1925:

The week of January 18-25 will be a recruiting week for the party and the young communist league.

In spite of the general apathy in the Canadian working class movement, the communist party has been able to maintain its numerical strength. But this is not sufficient. In all centres there are workers who have come to look upon the communist party as the revolutionary, fighting party of the working class. Many of those workers claim to be communist. A communist must at least be a member of the communist party. The communist party of Canada is the place for communists.

We have sown much seed during our existence as a communist party, now we must begin to build up a real revolutionary force in Canada. To be there "when the time comes" is an empty hollow phrase. Revolutions don't simply happen. There must be purpose, plan and organization Lenin taught that Bolshevik parties are hewn and moulded in the every-day struggles of the workers—that unswerving

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will and purpose are necessary for the elevation of the working class to power, through working class dictatorship.

The Canadian workers, and tens of thousands of poor farmers are suffering unprecedented privation. The spectre of unemployment stalks the land. The Trade Union movement is a weak and anemic thing.

Now, I draw attention to these words:

The Trade Union movement is a weak and anaemic thing. Discontent and despair are found wherever workers gather. Comrades! Let this be the clarion call to action and organization! There is no other centre of revolutionary consciousness to-day but the communist international.

The Communist party calls upon every rebel worker to join its ranks. Capitalism has nothing but degradation for the workers. Militant trade unionist, unemployed worker, unattached rebel, here is your place in the revolutionary movement, in the communist party of Canada.

Workers! Do you want the factories, mines, mills and shops to belong to those who produce, to the working class? Do you want the toiling farmer freed of the mortgage sharks? Do you want the banks to belong to the workers' and farmers' state? The unions reconstructed so as to be fit organs for the control of production?

Again I repeat—Trades Unions reconstructed so as to be fit organs for the control of production:

Then enlist for the revolutionary struggle in the ranks of the communist party!

For a fighting revolutionary party of the Canadian workers! For a Leninist communist party! Central Executive Committee-Communist Party of Canada.

I have read these extracts for the purpose of putting before the House the evidence that the Communist movement is here in Canada, and actively and vigorously at work. I hope that I have at least suggested the thought that the Communist movement may be described as a radical movement within the Trade Union movement, and that there is a struggle going on between the conservative Trade Unionist, on the one hand, and the radical Trade Unionist or Communist on the other.

The method of the Communists in Canada —indeed, it is the same everywhere—is to get into the labour organization and to bore from within. That is a fundamental principle of their policy, and they attain a measure of success. There are to be found in all labour organizations men of their type of mind.

There is another factor which I cannot overlook—that usually the most prominent man in the labour organization is the secretary. He is the man who is paid a wage equal to his calling, to act as secretary, and his salary depends upon his efforts in maintaining his union up to strength, and the payment of the necessary dues. So, while he is the leading man in the movement, his mouth is more or less shut, because if he sets to work to drive the Communists out he thereby reduces the number of members paying dues, and he thereby invites an internecine struggle. I am inclined to the opinion, as far as my observation goes, that the paid secretary is one of the weakest factors in the conservative Trade Unionists' fight in the community.

There is another factor that is very noticeable in all organizations of men of this type. We noticed it in the soldier movement, where we found that the man who was most to the fore with bayonet and bomb in clearing out the enemy trench, simply would not engage in an acrimonious discussion with his comrades about any particular thing. He refuses to wrangle, and if at a meeting he attends there is an acrimonious discussion he seldom comes back to that organization. So it is discovered amongst Trade Unionists that the best type of men, the good loyal law-abiding men, go to their Trade Union organization, and if they find an acrimonious discussion going on between Unionists and the others, they simply quietly withdraw themselves. The result is that the Communists, although a very small minority, are very noisy, and particularly in the West they succeed in getting control of Trade Union organizations.

It is also to be remembered that our present economic condition gives a great opportunity to the agitator. This is the golden opportunity of the Communist. Let there be restored to Canada a full measure of prosperity, and the Communist is done; but the present times are his great opportunity, and it is to be observed that where there is an industrial struggle at its worst the Communist is at his best.

Let me point out to the House that, not only by the experience of the past, not only because in Russia the Communist has enslaved the worker as well as the farmer, but because, in the philosophy of the Communist on the one hand, and the Trade Unionist on the other, there is a distinct difference of opinion-a distinct clash between these two types of men. There can be no Trade Unionism under Communism. Under the collective ownership of things used collectively there is no place for the Trade Unionist, and the Trade Unionist leader knows that, and the Communist knows it also. Between the leaders of Communism and the leaders of Trades Unionism there is, as I said a moment ago, a grim and silent struggle going on. Among the rag-tag and bobtail of their followers there can be no such clear-cut understanding, and it is amongst the followers that recruits are found for Communism. I submit that there is complete incompatibility between the intelligent Trade Unionist and the Communist, and that. so far as the leaders are concerned, they each recognize the other as the enemy.

This situation constitutes a problem—a very serious problem, and I submit that we cannot allow it to develop, as it will develop unless action is taken. There ought to be things that can be done. The situation is bad by Still, I reason of our economic condition. think this may be said, that we ought not to sit by with folded hands. Certainly we ought not to abuse organized labour. We ought to understand organized labour and the problem with which it is struggling, and we must not allow the struggle to go on without rendering to organized labour all the assistance that lies in our power. The first thing we can do intelligently is to understand the difficulty-to understand the differences between these two classes of men. and as loval and law-abiding citizens to render to the Trade Unionist who is also a law-abiding Canadian, every assistance that we can, in order to combat the evil which threatens his existence as well as the existence of our common country.

There is another thing that I think ought to be said. We may contemplate the dictatorship of the proletariat to be attained by constitutional means. Some people my contemplate it with equanimity. We in this country are well schooled in the general proposition that any political scheme will be acceptable and accepted if it is backed by a suitable majority. We may some day be confronted with the proposition that the dictatorship of the proletariat will carry in this country with a majority, and we may ask ourselves how we would accept that state of affairs. Italy was confronted with that very thing, and the answer to it was the Fascisti movement. But the dictatorship of the proletariat, to be put into effect by force, is a very different story. It is, in point of fact, mass theft, and I venture to think that mass theft in Canada will be met by mass resistance. I think it a very desirable thing at this time, when the doctrine of Communism is being put forward, clothed in the language which appeals to each sort of mind, that there should come from persons in responsible positions a definite statement as to how the general proposition of the dictatorship of the proletariat, to be achieved by force, presents itself to the Canadian mind. I say this, that red-blooded men in Canada will not submit to the dictatorship of the proletariat to be achieved by force; that the proposals of the communist mean civil war in Canada. If you tell those people that fact, straight from the shoulder, it will do them good, and you will be going a long way towards laying bare be-Hon. Mr. GRIESBACH.

fore the eyes of all concerned precisely what this proposal means and to what it will lead.

Hon. G. D. ROBERTSON: Honourable gentlemen, the honourable member from Edmonton (Hon. Mr. Griesbach) has opened up a subject that in my humble opinion is of national importance, and I rise for the purpose of making a brief contribution and placing upon the record exactly what the principles and platform of the Trade Unionist movement in North America are, and what are the principles and platform of the Communist party, so that, lying alongside of what has already been said, there may be for future reference definite information as to the exact policies of these contending forces within the industrial field.

I am sure that most honourable gentlemen must agree that the propaganda carried on and the progress made in Canada, particularly since about 1917, are not in the best interest of peace and good government within our country. I recall very vividly the serious situation that arose in 1919 in Western Canada. I remember going to Winnipeg and sitting down to listen patiently to the grievances as the men submitted them. After listening to all they had to say, I stated in reply to them: "Granting that everything you have said is true, and granting that there is no other side to the question, still I am at a loss to understand how you hope to convince the people of Canada that you are right by withdrawing, and by depriving the women and children of water, milk, bread, ice, and other conveniences and necessities of life." The leader of the strike committee in Winnipeg at that time, who was then and is now one of the leading Communists in Canada, looked me in the eye and said: "The Trade Union movement has always stood in the way of the progress of Socialism and has got to be destroyed."

There being then on my part a perfect understanding of the intentions of these gentlemen, the situation was handled accordingly and was subsequently adjusted; not, however, until a mass meeting of about 4,000 men had passed resolutions proposing to beat up a certain member of the Government and send him back to Ottawa as an object lesson of what Communism would do.

Therefore, honourable gentlemen, I can speak with some knowledge of this question, and I feel that, instead of advancing arguments or debating details, it would probably be illuminating to state to the House just what are the aims and ambitions of those who are connected with the legitimate Trade Union movement of the North American continent, and what are the aims and ambitions of those who feel that the methods of the Trade Unionist are too slow, and who purpose reaching their goal more quickly by the direct-action methods to which the honourable member from Edmonton (Hon. Mr. Gricsbach) has referred.

About 1879-I may be a little out as to the vear-there was begun in the city of Philadelphia, in the United States, an organization known as the Knights of Labour. That organization was to be a militant, aggressive body, attacking capital wherever it could find an op-Shortly afterwards the Trade portunity. Union movement developed, and it has ever since been more or less in competition with the more radical direct-action idea. The Trade Union movement subsequently consolidated itself in'o what is known as the American Federation of Labour, to whose principles the United Mine Workers of America, as well as 101-and I say 101 because that is the record-other organizations of various sorts, have subscribed. The principles of the American Federation of Labour are, as I quote from the record, as follows:

Whereas, a struggle is going on in all the nations of the civilized world which grows in intensity from year to year, and will work disastrous results to the toiling millions if they are not combined for mutual protection and benefit;

It, therefore, behooves the representatives of the Trade and Labour Unions of America,—

which include Canada-

—in convention assembled, to adopt such measures and desseminate such principles among the mechanics and labourers of our country as will permanently unite them to secure the recognition of rights to which they are justly entitled.

We, therefore, declare ourselves in favour of the formation of a thorough Federation, embracing every Trade and Labour Organization in America, organized mark you—

-under the Trade Union system.

The objects are, as per section 4 of their Constitution, as follows:

An American Federation of all national and international Trade Unions to aid and assist each other; to aid and encourage the sale of union label goods, and to secure legislation in the interest of the working people, and influence public opinion, by peaceful and legal methods, in favour of organized labour.

These are the principles laid down, upon which the American Federation of Labour was and is founded. Their economic platform contains several planks, as follows:

1. The abolition of all forms of involuntary servitude, except as punishment for crime.

2. Free schools, free textbooks and compulsory education.

3. Unrelenting protest against the issuance and abuse of injunction process in labour disputes.

4. A work-day of not more than eight hours in the twenty-four-hour day.

5. A strict recognition of not over eight hours per day on all Federal, State or municipal work, and not

less than the prevailing per diem wage rate of the class of employment in the vicinity where the work is performed—

which is exactly the fair wage clause that has been in Government contracts in Canada, both Federal and Provincial, ever since about 1907.

Release from employment one day in seven.
 The abolition of the contract system on public

work.

8. The municipal ownership of public utilities.

9. The abolition of the sweat-shop system.

 Sanitary inspection of factory, workshop, mine and home.
 Liability of employers for injury to body or loss

of life-

Referred to in our compensation laws.

I need not go through the whole list, but I will if the House desires. Those are the main principles.

Hon. Mr. BELCOURT: I would like to hear the rest.

Hon. Mr. ROBERTSON: Very well. I have no objection whatever.

12. The nationalization of telegraph and telephone.

They had not gone to the extent of including all transportation.

13. The passage of anti-child-labor laws in states where they do not exist and rigid defense of them where they have been enacted into law.

14. Woman suffrage co-equal with man suffrage.

15. Suitable and plentiful playgrounds for the children in all cities.

16. The Initiative and Referendum and the Imperative Mandate and Right of Recall-

-with which many of us perhaps do not agree.

17. Continued agitation for the public bath system in all cities.

18. Qualification in permits to build of all cities and towns, that there shall be bathrooms and bathroom attachments in all houses or compartments used for habitation.

19. We favour a system of finance whereby money shall be issued exclusively by the Government, with such regulations and restrictions as will protect it from manipulation by the banking interests for their own private gain.

That constitutes the entire programme in every regard.

Now, I would ask honourable gentlemen to listen with patience to the programme and platform of the Communist Party, which, as my honourable friend from Edmonton has said, is an outgrowth of dissaticfaction among workmen in North America who were disgruntled because of what they regard as the too slow progress towards the attainment of the ambitions which were enunciated in the platform that I have just read. This programme has been supplemented and encouraged in large measure by reason of propaganda that has come to this country, from Europe particularly; and I must add this statement of fact, that within the Canadian Trade Union movement one of the difficulties experienced is that men not born in Canada, but educated in the hard school of experience in European countries, come here with their grievances and expect to remedy quickly what they were unable to remedy at home at all, and they are to a large extent throwing in their lot with, and acting as leaders of, the communist movement in this country. That does not apply in a general sense at all, but most of the leaders of Communism in Canada are gentlemen who are not of Canadian birth.

I recall sitting and listening to a debate going on in the Trades Congress of Canada last September and seeing a vote taken which was a distinct show-down as between the Trade Union forces and the Communist forces amongst the delegates at that Convention. Out of, I think, 265 delegates there were 47 Communists. That may give honourable gentlemen some idea of the relative strength of the two factions. To me, however, it does not give a true picture, because of the very fact which my honourable friend from Edmonton mentioned, namely, that the ordinary trades unionist who owns his little home, who wants to get along peaceably with his employer and with his neighbour, withdraws from the controversies and disputes that go on at the union meetings. Many of the Communist delegates secure election by getting out their own crowd. They are not elected by popular vote in the community from which they come. Nevertheless they are there. Now, we ought to know, and I think the House is interested in knowing, exactly what are their aims and ambitions. I will therefore place on the record the platform of principles of the Communist Party.

The Communist Party is the conscious expression of the class struggle of the workers against capitalism. Its aim is to direct this struggle to the conquest of political power, the overthrow of capitalism and destruction of the bourgeois state.

The Communist Party prepares itself for the revolution in the measure that it develops a program of immediate action, expressing the mass struggles of the proletariat. These struggles must be inspired with revolutionary spirit and purposes.

The Communist Party is fundamentally a party of action. It brings to the workers a consciousness of their oppression, of the impossibility of improving their conditions under capitalism. The Communist Party directs workers' struggles against a capitalism, developing fuller forms and purposes in the struggle culminating in the mass action of the revolution.

Honourable gentlemen will perceive how vastly different and how diametrically opposite are the aims of the Trade Union movement and the aims of Communism. The American Federation of Labour, which represents between three and four million organized workmen, divorces itself from party political

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action, and supports and works for candidates who in the opinion of the members of that great organization will give Labour a fair show.

Now, to proceed with some of the planks in the Communist platform:

I. The Communist Party maintains that the class struggle is essentially a political struggle, that is, a struggle to conquer the power of the state.

(a) The Communist Party shall keep in the foreground its consistent appeal for proletarian revolution, the overthrow of capitalism and the establishment of a dictatorship of the proletariat.

As the opposition of the bourgeoisie is broken, as it is expropriated and gradually absorbed into the working groups, the proletarian dictatorship disappears, until finally the state dies and there are no more class distinctions.

(b) Participation in parliamentary campaigns, which in the general struggle of the proletariat is of secondary importance, is for the purpose of revolutionary propaganda only.

(c) Parliamentary representatives of the Communist Party shall not introduce or support reform measures. Parliaments and political democracy shall be utilized to assist in organizing the working class against capitalism and the state parliamentary representatives shall consistently expose the oppressive class character of the capitalist state, using the legislative forum to interpret and emphasize the class struggle; they shall make clear how parliamentarism and parliamentary democracy deceive the workers; and they shall analyze the capitalist legislative proposals and reform palliatives as evasions of the issue and as of no fundamental significance to the working class.

(d) Nomination for public office and participation in elections are limited to legislative bodies only such as municipal councils, state legislatures and national congress.

(e) The uncompromising character of the class struggle must be maintained under all circumstances. The Communist Party, accordingly, in campaigns and elections, and in all its other activities, shall not cooperate with groups or parties not committed to the revolutionary class struggle such as the Socialist Party, Labor Party, Nonpartisan League, People's Council, Municipal Ownership Leagues, etc.

This is somewhat lengthy, and perhaps I need not read it all, although I shall do so if my honourable friends so desire; but there are one or two other clauses here that are of importance and have a bearing.

Hon. Mr. BEIQUE: We had better have it all.

Hon. Mr. HARMER: Read it all.

Hon. Mr. ROBERTSON: Very well.

II. The Communist Party shall make the great industrial struggles of the working class its major campaigns, in order to develop an understanding of the strikes in relation to the overthrow of capitalism. (a) The Communist Party shall participate in mass

(a) The Communist Party shall participate in mass strikes, not only to achieve the immediate purposes of the strike, but to develop the revolutionary implications of the mass strike.

(b) Mass strikes are vital factors in the process out of which develops the workers' understanding and action for the conquest of power.

(c) In mass strikes under conditions of concentrated capitalism there is latent the tendency towards the general mass strike which takes on a political character and manifests the impulse towards proletarian dictatorship. In these general mass strikes, the Communist Party shall emphasize the necessaty of maintaining industry and the taking over of social functions usually discharged by the capitalists and the institutions of capitalism. The strike must cease being isolated and passive; it must become positive, general and aggressive, preparing the workers for the complete assumption of industrial and social control.

(d) Every local and district organization of the party shall establish contact with industrial units in its territory—the shops, mills and mines—and direct its agitation accordingly.

That is the clause that bears directly on the statement of the honourable gentleman from Edmonton (Hon. Mr. Griesbach) that there has been a process of boring from within, the object being at all times to get into official positions within the organization and to control the destiny of Trade Unionism towards Communist ends.

(e) Shop committees shall be organized wherever possible for the purpose of Communist agitation in a particular shop or industry by the workers employed there. These committees shall be united with each other and with the Communist Party, so that the party shall have actual contact with the workers and mobilize them for action against capitalism.

III. The Communist Party must engage actively in the struggle to revolutionize the trade unions.

I ask you to mark that statement. I will repeat it:

III. The Communist Party must engage actively in the struggle to revolutionize the trade unions.

As against the trade unionism of the American Federation of Labour the Communist Party propagandizes industrial unionism and industrial union organizations emphasizing their revolutionary implications. Industrial unionism is not simply a means for the every-day struggle against capitalism; its ultimate purpose is revolutionary, implying the necessity of ending the capitalist parliamentary state. Industrial unionism is a factor in the final mass action for the conquest of power, as it will constitute the basis for the industrial administration of the Communist Commonwealth.

(a) The Communist Party recognize that the American Federation of Labour is reactionary and a bulwark of capitalism.

Now, honourable gentlemen, you can appreciate that there is a wide difference of opinion between the men adhering to the platform of that organization and those who adhere to the principles and policies of legitimate Trade Unionism, and who propose to co-operate with other branches of society in building up national institutions both industrially and politically. I want to make it clear that the United Mine Workers of America, with a membership at the time this book was written—

Hon. Mr. BELCOURT: Who is the book written by?

Hon. Mr. ROBERTSON: This is the American Labour Year Book of 1920.

Hon. Mr. BELCOURT: That is the organ of the American Federation?

Hon. Mr. ROBERTSON: No, it is published in New York by entirely independent people.

The United Mine Workers of America are associated with, and are the largest contributors to and supporters of, the American Federation of Labour. There is within that organization a large number of men who have Communist sympathies, and who are members of Communist bodies.

As I pointed out a few days ago, the constitution and literature of the United Mine Workers of America is published in eighteen different languages, because in that industry there are hundreds of thousands of men who are not American-born or Canadian-bornmuch less is this true in Canada than in the United States—and it is a tremendous task and a delicate one to properly control so vast an army of men, a very substantial portion of whom are more or less illiterate.

I think that the House, after the discussion that has occurred or may occur on this question, will be seized of this main fact: that the Trade Union movement of North America, including Canada, is a movement that desires to co-operate with the existing form of things and only demands a square deal, is willing to sit down to arbitrate its differences with employers and to reach conclusions by negotiations, and in all cases respects the law and abides by it and does not subscribe in any way to the doctrines which I have just read, which are the doctrines of a small portion of the workmen in our country.

Hon. Mr. BELCOURT: Can my honourable friend give us any examples of the American Federation taking issue with or protesting against the actions or the principles or propaganda of the Communists?

Hon. Mr. ROBERTSON: Yes. Without desiring to prolong the discussion, I may refer my honourable friend to the utterances on many occasions of the late Mr. Gompers, who was President of the American Federation of Labour. As a concrete example, may I point out—

Hon. Mr. BELCOURT: I do not mean one individual expression of opinion: I quite agree that Mr. Gompers has on occasions protested against violence: but I mean some common action by one or more sections an active step taken to counteract the Communists.

Hon. Mr. ROBERTSON: Why did not the United States go into the war until April 1917? It is a matter of common knowledge

that it was because the Government of that great country felt that public opinion was not sufficiently behind it to warrant such a step as early perhaps, as the Government would have liked. Three weeks before war was declared by the United States, what happened? The Executive Council of the American Federation of Labour held a conference, and following that the late Samuel Gompers notified the President of the United States that Labour would be behind the Government if it desired to go into the war on the side of the Allies. In May, 1917, about three weeks and three days from the time the United States declared war, there was held in Washington a large conference, at which were present a substantial number, probably eighty, of the largest employers of labour of all sorts in that great rebublic, and about a similar number of labour leaders. At that time it was well understood that there was to be co-operation between the Trade Union movement and the Government of the United States with reference to the war activity which was to be carried on. Prior to that time the American Federation of Labour's policy had been one of pacifism; but when it became apparent to that great nation, as it had become apparent to other nations of the world prior to that time, that those ideas must be temporarily laid aside and that the people of that country must help to bring about a settlement of the world conflict, that organization repudiated all men who would not loyally get behind the country's activities, and the Communist Party from that moment began to segregate itself definitely from the Trade Union movement. Prior to that time you knew nothing of who was who; since then we have been able to discoved which was which. I hold that is a great example in a large way of the Trade Union movement definitely repudiating principles such as I have outlined here, and allying itself definitely with law and order. At the request of the Government of Canada of that day I happened to be present at that conference in Washington, and therefore have personal knowledge of the fact that that was the mainspring and inspiration of the whole Four million organized meeting. Trade Unionists in the United States allied themselves with the people of the country in that great undertaking, and since that time the cleavage between the Trade Union movement and the Communist movement has been greater and more definite than ever before.

Hon. Mr. CASGRAIN: Was there any action taken by the conservative labour organization with reference to the action of the Hon. Mr. ROBERTSON. president of District No. 26 in marching behind the red flag? Was anything done?

Hon. Mr. ROBERTSON: It was not until my honourable friend put his inquiry on the Order Paper that I knew anything about Mr. McLeod or the other gentlemen having participated in the May Day celebration referred to, and I doubt very much if Mr. Lewis has yet any knowledge of that fact. I will say this authoritatively, however, that the United Mine Workers did dethrone Mc-Lachlan from his position because of this very thing; and it may be that the United Mine Workers will take action when they know the facts in this case. I do not know whether they know or whether they do not.

Hon. Mr. DANDURAND: I have no answer to give to the inquiry put on the Order Paper by the honourable gentleman from Montarville (Hon. Mr. Beaubien). The Labour Department is probably trying to obtain information from direct sources in Cape Breton, but at present I cannot give the information. My honourable friend vouches for the truth of his statement, and I suppose we may take it till some evidence to the contrary is brought to this Chamber.

I may say to the honourable gentleman from Edmonton (Hon. Mr. Griesbach) that ever since the close of the war the Government has been very attentive to follow the movements of the Communist Party throughout Canada, and it has not closed its eyes to the danger of the propaganda which is being spread, more especially among the younger generation. I believe that the authorities are aware of an effort that is being made in various centres, such as Winnipeg, Fort William and other places, to enlist the young children of foreign parents by endeavouring to get them to attend on Sundays or other days schools, where Communist principles are taught. I do not know what action is being taken to counteract this movement, but I have occasion to know that the Government is fairly well informed of the doings of these people throughout the land.

The inquiry was dropped.

PUBLICATION OF STATUTES BILL

FURTHER CONSIDERED IN COMMITTEE AND REPORTED

The Senate again went into Committee on Bill 41, an Act respecting the publication of the Statutes.—Hon. Mr. Dandurand.

Hon. Mr. Robinson in the Chair.

On paragraph (a) of subsection 3 of section 10—distribution to members of Parliament:

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Hon. Mr. DANDURAND: This has to do with the distribution of the Statutes. In the revision of the Act the clause "as is, from time to time, directed by joint resolution of the said Houses, or in default of such resolution", is dropped. The clause which remains is as follows:

The members of the two Houses of Parliament respectively who shall each be entitled to receive such number of copies as is from time to time, directed by the Governor in Council.

I am informed that there never were any joint resolutions of the two Chambers concerning the distribution of the Statutes, and that since 1867 it has always been left to the Governor in Council. It is of very little importance. I understand the Joint Committee on Printing does not object to the present form of the clause.

Hon. W. B. ROSS: In the light of the distribution of Committee proceedings the other day I think it would be almost as well to have left this Act as it was. We may not get copies at all now. Some person connected with the Privy Council may take it into his head that we are not entitled to them, just as it was thought the other day that we were not entitled to copies of the evidence.

Hon. Mr. DANDURAND: No; it only deals with the distribution of Statutes, which has been done since 1867 by the Governor in Council.

Hon. W. B. ROSS: But there was always a chance that if the Governor in Council did not do it we could do it ourselves. There was a blow-hole there that you have filled up.

Hon. Mr. DANDURAND: The matter is of so little consequence that if there is the least objection I will not insist on amending this clause. My honourable friend must realize that the Governor in Council is bound to attend to the distribution of the Statutes, and the first party entitled to the volume of Statutes is the maker of the laws, the member of Parliament. Because we have been entitled under that distribution to only one copy, I do not suppose the Government will quarrel with our right to have a second copy.

Hon. Mr. TANNER: I do not think the House should relinquish this little right. It may be the fact that the House has not exercised the right to say how many copies should be distributed, but they may desire to do that in future. I understood from the statement made the other day by the Chairman of the Joint Committee on Printing that they believed they were protected by the general Statute, which of course they are not. This Bill, if passed in its proposed form, would override the general Statute. I intended to move that the old clause be retained, and I will do so unless my honourable friend will consent to amend his motion.

Hon. Mr. DANDURAND: I stated that I did not intend pressing that amendment, because it is of very little consequence. As it stands, and has stood since 1867, the Governor in Council has acted, as there has been no resolution. As I believe this to be a revision of the whole Act, I will have to reinstate the clause as it was.

Hon. Mr. TANNER: It would be necessary to reinstate the whole clause in this Bill.

Hon. Mr. DANDURAND: Yes; that is why I am asking the Chairman to amend the clause by striking out paragraph a and inserting the old paragraph a.

The amendment of Hon. Mr. Dandurand was agreed to.

The preamble and the title were agreed to. The Bill was reported as amended.

THIRD READING

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

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

INDUSTRIAL DISPUTES BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 25, an Act to amend The Industrial Disputes Investigation Act, 1907.

He said: Honourable gentlemen, the members of this House are aware that the Privy Council has declared unconstitutional the Industrial Disputes Investigation Act of 1907, because it invaded the jurisdiction of the provinces.

The Bill before us has for its object the drafting of amendments which will remedy the defects in the Act of 1907 by applying its whole machinery to ground that is under Federal authority. Proposed section 2A describes what would be the area to be covered by the Act under this amendment. Honourable gentlemen will find that 3 clauses which were before us for consideration last Session, and which were adopted by this Chamber, have been added to the Bill.

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

DOMINION LANDS BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 75, an Act to amend the Dominion Lands Act. He said: Honourable gentlemen, there are three sections to this Bill. One deals with the conditions of entry for lands in Saskatchewan and Alberta south of the south boundary of Township 16. I will read the clause:

(4) Notwithstanding anything contained in this Act, no person shall be granted entry for lands situate within that part of the provinces of Saskatchewan and Alberta south of the south boundary of Township 16 in the Dominion Lands system of survey unless such person submits evidence satisfactory to the Minister of the Interior that he or she is in permanent residence and conducting farming operations upon a farm of not less than eighty acres distant not more than nine miles in a direct line from the parcel for which entry is desired, exclusive of the width of road allowances crossed in the measurement, or that such person is the father, mother, son, daughter, brother or sister of a settler in permanent residence and conducting farming operations as aforesaid.

The purpose of the amendment is to confine homesteading in the southern portions of Saskatchewan and Alberta to persons actually resident and conducting farming operations in the vicinity of the land offered for settled homesteading. This saving clause has for its purpose the allowing of people who already reside in the district, who know the conditions, who have been able to eke out a living from those lands, to remain there and settle some members of their family if they so desire.

Hon. Mr. WILLOUGHBY: I would ask the honourable gentleman, dealing with the specific land to which he is referring, whether he is designedly doing away with the right of entry by homesteaders or by soldiers—the preferred right that they still have of first entry, including the territory now to be excluded.

Hon. Mr. DANDURAND: The information I have is simply to this effect, that homesteading is prohibited in those areas. I have the map here, but the honourable gentlemen who come from that district know the territory very well. It covers the Moose Jaw and the Lethbridge districts.

Hon. Mr. WILLOUGHBY: Perhaps some people can visualize the city of Moose Jaw right at the top of Township 16.

Hon. Mr. DANDURAND: We will go into details in the Committee, but my information is that there is a reservation made simply for the people who have knowledge of the ground, and who would not be able to complain if they bought their experience too dearly. The second section bears on the sale of school lands for right of way. It reads:

Notwithstanding anything to the contrary in this Act, the Minister may sell school lands required—

-and the new words added are:

-as right of way for any project or for reservoir, church, cemetery or hospital sites, etc.

Hon. Mr. DANDURAND.

Hon. Mr. CASGRAIN: It applies to school lands only.

Hon. Mr. DANDURAND: Simply to sale for right of way.

Hon. Mr. BELCOURT: I would point out that that may work a great injustice. The description is wide enough to include school lands already bulit on.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that the Act on the Statute Book at present states:

Notwithstanding anything to the contrary in this Act, the Minister may sell school lands required for reservoir, church, cemetery or hospital sites, at a price to be fixed by an officer of the Department as the actual market value of the land.

Now, the amendment is a limitation. The Minister who could sell school lands required for reservoir, church, cemetery or hospital sites will henceforth only be able to sell school lands required as right of way for any project or for reservoir, church, etc.

Hon. Sir JAMES LOUGHEED: If this is intended to be general, why is it limited by the specific words which follow the general terms —for any project or for reservoir, church, etc? A reservoir is a project; in fact, a cemetery is a project. The canon of interpretation that would be applied to that would be ejusdem generis, that is to say, the general description would be limited by the specific description which follows it. If it is intended that a wide range of discretion should be given, the general expression should follow the specific words.

Hon. Mr. DANDURAND: I said it was limited, but I find it is not.

Hon. Sir JAMES LOUGHEED: It is manifestly limited there.

Hon. Mr. DANDURAND: It increases the right to dispose of school lands required as right of way "for any project or for reservoir." It may be necessary to pass through patented lands or through school lands in order to obtain water. If you allow the principle, as the law does, surely the incidental bringing of water to the reservoir ought to be allowed.

Hon. Sir JAMES LOUGHEED: I did not notice those words, "right of way." I thought it meant any project.

Hon. Mr. DANDURAND: No, it applies to the right of way.

Hon. Mr. BELCOURT: My difficulty is not that. It is that this clause is wide enough to include lands upon which a school has already been built. For instance, a school might be taken for the purpose of a right of way or a reservoir, according to the language contained there. I do not think that is intended.

Hon. Sir JAMES LOUGHEED: Payment would have to be made for it.

Hon. Mr. BELCOURT: The language is wide enough to cover that case.

Hon. Mr. DANDURAND: I do not suppose that, if a right of way is needed for the purpose of bringing water to a reservoir, it would be used in such a way as to damage or destroy buildings already erected.

Hon. Mr. CASGRAIN: It would cost much more to tear a building down than to go around it.

Hon. Sir JAMES LOUGHEED: Payment would have to be made for it, and that would restrain anyone from taking it unnecessarily.

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

CUSTOMS TARIFF BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 118, an Act to amend the Customs Tariff, 1907.

He said: Honourable gentlemen have before them the Bill, with the schedules. I need not describe the items. I think the most important is the increase of duty on slack coal. The rates were 10 cents under the British Preference, 12 cents under the Intermediate Tariff, and 14 cents under the General. The run-of-mine was 53 cents. Now it is evened up. The proposed rates per ton under item 588, comprising run-of-mine and slack, will be: British Preference, 35 cents; Intermediate, 45 cents; General 50 cents. This is perhaps the most important item.

Hon. Mr. CASGRAIN: The run-of-mine is reduced from 53 cents?

Hon. Mr. DANDURAND: Yes, to 50 cents.

Hon. Mr. DANIEL: I would like to ask the Minister a question. Section 3 states:

This Act shall be deemed to have come into force on the twenty-fifth day of March, one thousand nine hundred and twenty-five

The Bill is not passed yet. Am I correct in supposing that if on any goods mentioned in these various items, imported since the 25th of March, a higher rate of duty has been paid than this Bill provides for, a rebate will be made, and that where the duty is increased by the Bill the amount payable on what has been imported since the 25th of March will be adjusted at the higher rate?

Hon. Mr. DANDURAND: I take it for granted that the Minister announced the proposed changes on the 25th day of March, and that the duties were altered from that date. If there has since been a slight amendment, in the form of a reduction, for instance, surely the parties who have paid the higher duty since the 25th of March would be entitled to a rebate; but I do not remember that there has been any such case.

Hon Mr. DANIEL: Take, for instance, the duty on bituminous coal. The change here is quite material. It means that if people have been importing this coal since the 25th of March, they will have to pay a good deal more than they would if this legislation were not passed.

Hon. Mr. DANDURAND: But I think they have paid the increased duty since the 25th of March.

Hon. Mr. DANIEL: They have?

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. GRIESBACH: These proposals were contained in the Budget Speech?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. GRIESBACH: The rule of Parliament is that from the moment of the announcement in the Budget Speech the duty is applied.

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

DIVORCE BILL

SECOND READING

Bill A4, an Act for the relief of James Hooper Robins.—Hon. Mr. Mulholland.

BANKRUPTCY BILL,

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill Z3, an Act to amend the Bankruptcy Act. —Hon. Mr. Dandurand.

Hon. Mr. Robinson in the Chair.

On section 5—Priority of existing judgments in certain provinces:

Hon. Mr. DANDURAND: Honourable gentlemen, we suspended consideration of section 5, which adds the province of Quebec to the exception provided for Nova Scotia and New Brunswick.

The provisions of subsections one and ten of this section shall not apply to any judgment or certificate of judgment registered against real or immovable property in either of the provinces of Nova Scotia, New Brunswick and Quebec.....

Hon. Mr. BELCOURT: You do not want the word "either" there.

Hon. Mr. DANDURAND: If we add Quebec there, we should say "any". It was "either" when there were two provinces, but when you have more than two it is necessary to make a change.

Hon. Mr. BELCOURT: Why not say simply, "In the provinces of," and strike out the word "either?"

Hon. Sir JAMES LOUGHEED: That might mean the provinces jointly.

Hon. Mr. DANDURAND: The Deputy Minister drew my attention to the word "either." It was correct to use it when the clause referred to Nova Scotia and New Brunswick, but it should be changed to "any" when the province of Quebec is added.

I would like to read the opinion of the Deputy Minister of Justice on the suggested amendment. A question was raised as to the necessity of protecting liquidations of bankrupt estates which may have affected judgments registered prior to the coming into force of the Act of 1920. The Deputy Minister thinks there is no need for any proviso of that kind. He says:

I do not believe that there is any necessity to amend clause 5 of the bill to protect transactions made, in connection with the administration of estates, between the date of the coming into force of the Bankruptcy Act on 1st July, 1920 and the date of the coming into force of the present bill. The effect of clause 5 will be to attribute a certain quality to judgments registered prior to the 1st July, 1920, but such quality will only attach to such judgments after the date of the coming into force of the present bill; such judgments will not have possessed that quality until the coming into force of the present bill and consequently anything done heretofore will not be affected.

Hon. Sir JAMES LOUGHEED: But he overlooks the all-important point that that quality was not given to the judgment and will not be until the passage of this Bill; consequently a judgment would have come within the bankrupt estate and it could have been liquidated and the proceeds distributed amongst the creditors.

Hon. Mr. DANDURAND: He claims that that will have been done legally, inasmuch as this Bill has no retroactive effect.

Hon. Sir JAMES LOUGHEED: Yes, it will have been done legally. It is all right if you are not seeking to restore the status which such a judgment had—

Hon. Mr. DANDURAND: No. Hon. Mr. DANDURAND. Hon. Sir JAMES LOUGHEED: —and to bring it within the present legislation.

Hon. Mr. DANDURAND: He claims that this Bill will have effect only from the date of its sanction. As it will have no retroactive effect, it will not affect those judgments.

Hon. Sir JAMES LOUGHEED: And as to those judgments that have not been liquidated?

Hon. Mr. DANDURAND: It will not have any effect on those judgments. I move the adoption of the clause with the alteration.

The CHAIRMAN: Change "either" to "any."

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend that we should not give the Bill third reading until we see the amendment in print and study it from that standpoint.

The amendment of Hon. Mr. Dandurand was agreed to, and section 5 as amended was agreed to.

The preamble and title were agreed to. The Bill was reported as amended.

The bill was reported as amended.

ROYAL CANADIAN MOUNTED POLICE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 115, an Act to amend the Royal Canadian Mounted Police Act.

Hon. Mr. Stanfield in the Chair.

On section 1—readjustment of pensions granted prior to 7th July, 1919:

Hon. Mr. DANIEL: May I remind the Minister that he said he would tell the Committee what amount of pension would accrue to a Mounted Police Officer under this change; that is, how much the individual pension would amount to in the aggregate.

Hon. Mr. DANDURAND: I gave the total of the increase. I think it amounted to \$27,-000 or \$28,000 at the peak. Of course it will come down gradually. The rates are to be found by looking back at the schedules, which must be contained in the statute of 1919. We might perhaps pass the Committee stage, and at the third reading I will give the honourable gentleman the information desired.

Hon. Mr. DANIEL: It is merely a matter of curiosity on my part, but I thought I would like to know.

Hon. Mr. DANDURAND: There was at a certain date a schedule based upon the salaries involved. The salaries were gradually increased, and for those members who were retired subsequently the pensions have increased with them. Those members who took their pensions prior to 1919 will be brought up to the level of the new schedules.

Section 1 was agreed to.

The preamble and the title were agreed to. The Bill was reported.

PRIVATE BILL

FIRST READING

Bill 38, an Act to incorporate the Knights of North America.—Hon. Mr. Pope.

TURTLEFORD BRANCH LINE BILL FIRST READING

Bill 69, an Act respecting the construction of a line of railway forming part of the Canadian National Railways between Turtleford and a point in Township 48, range 12, west of the 3rd meridian in the Province of Saskatchewan.—Hon. Mr. Dandurand.

BENGOUGH-WILLOWBUNCH BRANCH LINE BILL

FIRST READING

Bill 74, an Act respecting the construction of a line of railway forming part of the Canadian National Railways between Bengough and a point at or near Willowbunch in the Province of Saskatchewan.—Hon. Mr. Dandurand.

DEPARTMENT OF IMMIGRATION AND COLONIZATION BILL

FIRST READING

Bill 112, an Act to amend the Department of Immigration and Colonization Act.—Hon. Mr. Dandurand.

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

THE SENATE

Wednesday, May 20, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS FIRST READINGS

Bill J4, an Act for the Relief of Harriet Elizabeth Couch.—Hon. Mr. Haydon.

Bill K4, an Act for the Relief of Margaret Helen Strickland.—Hon. Mr. Haydon.

Bill L4, an Act for the Relief of John Henry North.—Hon. W. B. Ross. Bill M4, an Act for the Relief of Walter Thomas Pratchett.—Hon. W. B. Ross.

Bill N4, an Act for the Relief of Mary Jane Apedaile.—Hon. W. B. Ross.

Bill O4, an Act for the Relief of Cecil Donnelly.—Hon. Mr. Schaffner.

THIRD READING

Bill A4, an Act for the Relief of James Hooper Robins.—Hon. Mr. Mulholland.

SECOND READINGS

Bill B4, an Act for the Relief of Kathleen Mary Ricketts.—Hon. Mr. Haydon.

Bill C4, an Act for the Relief of Mary Alina Marguerite Peat.—Hon. Mr. Haydon.

Bill D4, an Act for the Relief of Sadie Dennis.—Hon. W. B. Ross.

Bill E4, an Act for the Relief of Isabel Davidson.—Hon. W. B. Ross.

Bill F4, an Act for the Relief of Jacob Ross.—Hon. W. B. Ross.

Bill G4, an Act for the Relief of John Delbert Boddy.—Hon. John Webster.

Bill H4, an Act for the Relief of Edward Hugh Reid.—Hon. Mr. Turriff.

HON. F. L. BEIQUE

APPOINTMENT TO PRIVY COUNCIL

On the Orders of the Day:

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, before the Orders of the Day are proceeded with, may I say that I, like most others, have noticed in this morning's press that my honourable friend from De Salaberry (Hon. Mr. Béique) to-day reaches his eightieth year—

Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: —and his friends, who are legion, are congratulating him upon reaching that advanced stage of life. I am sure his colleagues in the Senate, particularly on this side of the House, are only too glad to extend their felicitations to him, and I am taking advantage of this opportunity to do that on their behalf.

I notice also that the Government has given recognition to the public services rendered by my honourable friend over a long period of time, and that this morning he was sworn in as a member of the Privy Council.

Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: This is a very proper recognition of services which, to my mind, have been of an invaluable character, especially those rendered in this Chamber. For some twenty-three years my honourable friend has been an active member of the Senate of Canada, and has contributed probably in a greater degree than any other member of this Chamber to the legislation which from time to time has passed this House. His experience at the bar of his native Province, of which he is a distinguished member, has added to the value to this contribution. I am sure it is our wish that our honourable friend, although he has reached the allotted span of life, may be spared many additional years of usefulness in this Chamber and in the service of his country.

Hon. SENATORS: Hear, hear.

Hon. RAOUL DANDURAND: Honourable gentlemen, it is most agreeable to find that there is at least one action of the present Government that meets with the approval of my honourable friend.

Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: I am disposed to be thankful to the honourable gentleman from De Salaberry (Hon. Mr. Béique) for having furnished the Senate with this opportunity of showing its unanimity.

I need not say what we on this side of the Chamber, as well as his fellow citizens in the city of Montreal, feel towards the honourable member who has reached his eightieth year. We esteem and admire his sterling qualities. His one purpose throughout life has been to serve the country to the best of his ability. One does himself honour who honours merit, and I feel that the Government of the day has done its duty in bestowing recognition upon so valuable a member of the Upper Chamber.

Hon. SENATORS: Hear. hear.

Hon. T. CHAPAIS (Translation): I deem it my duty to say a few words in French on this occasion, which is certainly a great event for the Senate of Canada. The leaders of the House have expressed our sentiments admirably, and I am sure that I interpret the wishes of the French-speaking members in tendering on their behalf to our venerable colleague the honourable Senator from De Salaberry our most cordial congratulations and compliments on this happy anniversary and the circumstances accompanying it. I have often heard it said by people who had reached the age of eighty years and were complimented by being told that it was a fine old age-I have heard them say that that was not, after all, a very flattering compliment. But when it is associated with a reality as brilliant as that which is exemplified in the person of our honourable colleague, that compliment is so true that it constitutes the finest eulogy. At the age of eighty years Hon. Sir JAMES LOUGHEED.

he manifests in this Chamber a vigour, a clearness of intellect, a passion for work, truly admirable.

I am happy to see that in this Senate Chamber we have still, thank God, many men who have devoted long years to the public service, and whose experience, whose talents and whose zeal are so precious to us. May I say that it is men like the honourable member from De Salaberry who give to the Senate the prestige, the brilliance and the reputation that, in spite of everything, it enjoys, I am sure, amongst the population of the Dominion of Canada.

Hon. F. L. BEIQUE: Honourable gentlemen, I am afraid that I am too deeply moved to answer properly the kind words that have been addressed to me. I have had two exceedingly grateful surprises in my life: one was at the opening of my public life, when I received a letter from the then Hon. Mr. Wilfrid Laurier offering me a seat in this House; the other was last night, when the Prime Minister had the kindness to announce that to-day I would be sworn in as a member of the Privy Council.

When I entered this House I entered it with the conviction that we in this country were building our national edifice, and that it behooved all of us, especially members of this honourable House, to bring the full share of our ability to the building of that edifice. I believed that in doing so we were not compelled to renounce our political allegiance, but that we had to enlarge our atmosphere, our ideas, and to try to see every question from all its angles and to determine it to the best advantage of the country, irrespective of party. I have tried to the best of my ability and judgment to discharge that duty, and while I may not have discharged it to the satisfaction of everyone, I have done so to the satisfaction of my own conscience.

Now that I have reached the years which have been mentioned, after having seen many dear friends disappear one after another, I find it a very great compensation and a very great consolation to think that I have been able to make in this House so many new friends. I thank you very cordially for the kind words that you have spoken.

Hon. SENATORS: Hear, hear.

PAYMENTS FROM CANTEEN AND DISABLEMENT FUNDS INQUIRY FOR RETURNS

Hon. Mr. GRIESBACH: May I ask my honourable friend the Leader of the Government when I may expect to have him lay on the Table certain documents in response to motions passed here on the 12th of the month, for which I have waited with some patience, and which we now require for the inquiry which is going on?

Hon. Mr. DANDURAND: I would ask the co-operation of every member of this Chamber who desires to have prompt returns, in kindly reminding me daily so that I may exercise my activities towards getting them.

Hon. Sir JAMES LOUGHEED: That will occupy a very large part of the Session.

BANKRUPTCY BILL

THIRD READING

Bill Z3, an Act to amend the Bankruptcy Act.—Hon. Mr. Dandurand.

ROYAL CANADIAN MOUNTED POLICE BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 115, an Act to amend the Royal Canadian Mounted Police Act.

He said: I promised one of my honourable colleagues certain information on the third reading of this Bill. I do not know that it is necessary to put on Hansard the whole list of the salaries that have been drawn and the increases in pensions; so I will give the statement to my honourable friend. I stated when we were in Committee that when this Bill was passed we would be at the peak of the expenditure. Since that time, unfortunately, the one who stood at the top of the list, in a position to enjoy the largest increase, has died. I will lay on the Table the list of increases.

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

DOMINION LANDS BILL

CONSIDERED IN COMMITTEE AND REPORTED On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 75, an Act to amend the Dominion Lands Act.

Hon. Mr. Beaubien in the Chair.

On section 1—conditions of entry for lands in Saskatchewan and Alberta south of south boundary of Township 16:

Hon. Mr. DANDURAND: I would ask Mr. Hume of the Department to come to the floor of the House.

When we were discussing this Bill on the motion for second reading, I was asked if the soldiers in that district would be affected by this Act. My answer is in the negative.

S-20

Hon. Sir JAMES LOUGHEED: What is the object of the restriction? What has led to it?

Hon. Mr. DANDURAND: That part of Saskatchewan and Alberta will be excluded from the Homesteading Act and regulations. There will be no entry except for those whose families live in the district, and who, having been residents there, know the quality of the soil and the risks to be incurred.

Hon. Sir JAMES LOUGHEED: I think I know the reason now.

Hon. Mr. DANDURAND: It practically means that only those who have had experience of the district will be entitled to homesteads.

Section 1 was agreed to.

Sections 2 and 3 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.

CUSTOMS TARIFF BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 118, an Act to amend the Customs Tariff Act, 1907.

Hon. Mr. Gillis in the Chair.

Sections 1, 2 and 3, 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.

The Senate adjourned until Tuesday, May 26, at 8 p.m.

THE SENATE

Tuesday, May 26, 1925.

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

Prayers and routine proceedings.

SPECIAL WAR REVENUE BILL FIRST READING

Bill 119, an Act to amend the Special War Revenue Act of 1915.—Hon. Mr. Dandurand.

REVISED EDITION

FINLAND TRADE AGREEMENT BILL FIRST READING

Bill 128, an Act respecting Trade between Canada and Finland.—Hon. Mr. Dandurand.

NETHERLANDS CONVENTION BILL FIRST READING

Bill 129, an Act respecting a certain Trade Convention between His Majesty and the Queen of the Netherlands.—Hon. Mr. Dandurand.

DAIRY PRODUCE BILL

FIRST READING

Bill 72, an Act to amend the Dairy Produce Act.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS TAXATION

INQUIRY

Hon. Mr. ROBINSON inquired of the Government:

1. What is the total amount of taxation of all kinds assessed against property owned or controlled by the Canadian National Railways, in each of the Provinces of Canada, for the year 1924?

2. Is any of the amount so assessed in dispute, and if so, what amount in each Province?

3. What amount of such taxation, if any, is payable direct to each Province?

Hon. Mr. DANDURAND:

1. Province:		
Municipal	Provincial	
taxes	taxes	Total
Nova Scotia-		
\$ 467 77	\$ 67,475 00	\$ 67,942 77
New Brunswick-	_	
1,632 90		1,632 90
Quebec-		
689,310 67	33,737 65	723,048 32
Ontario-		
1,213,394 58	367,145 47	1,580,540 05
Manitoba—		
148,145 16	273,405 78	421,550 94
Saskatchewan-		
420,696 51	76,339 43	497,035 94
Alberta-		
139,260 95	66,862 12	206,123 07
British Columbia	_	
174,589 33	251,010 80	425,600 13
\$2,787,497 87	\$1,135,976 25	\$3,923,474 12

2. The following taxes due and payable for the year 1924 are in dispute:

Municipal taxes:

City	of Montreal	 \$	68,893 90
City	of Quebec	 	34,546 57
	of Ottawa		15,000 00
Hon.	Mr. DANDURAND.		

Provincial taxes:

Province of Quebec	28,918 65	
Province of Manitoba	180,280 78	
Province of Alberta	40,414 57	
Province of British Colu	mbia. 251,010 80	

3. See answer to Question No. 1.

DIVORCE BILLS

FIRST READING

Bill T4, an Act for the relief of Samuel James Connor.—Hon. Mr. Haydon.

THIRD READINGS

Bill B4, an Act for the relief of Kathleen Mary Ricketts.—Hon. Mr. Havdon.

Bill C4, an Act for the relief of Mary Alina Marguerite Peat.—Hon. Mr. Haydon.

Bill D4, an Act for the relief of Sadie Dennis.—Hon. W. B. Ross.

Bill E4, an Act for the relief of Isabel Davidson.—Hon. W. B. Ross.

Bill F4, an Act for the relief of Jacob Ross.—Hon. W. B. Ross.

Bill G4, an Act for the relief of John Delbert Boddy.—Hon. John Webster.

Bill H4, an Act for the relief of Edward Hugh Reid.—Hon. Mr. Turriff.

SECOND READING

Bill I4, an Act for the relief of Sidney Charles Simmons.—Hon. Mr. McCoig.

DEPARTMENT OF IMMIGRATION AND COLONIZATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 112, an Act to amend the Department of Immigration and Colonization Act.

He said: Honourable gentlemen, when the Department of Immigration and Colonization Act was passed, it provided in section 4 that all the powers and duties of any Minister of the Crown under the Immigration Acts were transferred to and conferred upon the Minister of Immigration and Colonization; thus the authority to issue detention warrants as given to the Minister of Justice under section 43 of the Immigration Act was thereby transferred to the Minister of Immigration. The proposed amendment simply re-establishes the procedure as laid down in the Immigration Act, which procedure has been in force for years until upset by the decision of the British Columbia courts several months since

Apparently it was not noticed when the Act was passed that the powers of the Minister of Justice under the Act were being transferred to the new Minister of Immigration and Colonization on the date of the separation of that Department from the Department of the Interior, and, as a matter of fact, the procedure continued to be that which had obtained prior to that time. It was questioned in a court of justice in British Columbia, and there it was found that the Minister of Justice had been shorn of his right and duty to issue detention warrants. The purpose of this Bill is to restore that right to the Minister of Justice. It is all the more judicious that that power should remain in the hands of the Department of Justice because the penitentiaries are under the control of the Minister of Justice, and it is quite logical that he should be the authority to give orders to the warden of a penitentiary for the retention of a prisoner who is to be deported. Otherwise it would be the warrant of the Minister of Immigration that would go direct to the warden of the penitentiary. That is all there is in the Bill.

Hon. Mr. BRADBURY: Does this Bill interfere in any way with the Deportation Act? Does this take away from the Immigration Department the power of deportation and place it under the control of the Minister of Justice?

Hon. Mr. DANDURAND: No. The Minister of Justice act only on instructions from the Department of Immigration. The only power that the Minister of Justice exercises is practically to give effect automatically to the report of the Department of Immigration and to notify the warden to hold the prisoner after the expiration of his sentence, in order to hand him over to the proper deportation officer. It is simply a question of procedure, the procedure which has governed since Confederation, I suppose, but which has been somewhat interrupted by the Act of 1920, transferring the Immigration Department to a special Minister.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Beaubien in the Chair. Section 1 was agreed to. S-201/2 On sections 2 and 3—orders of Minister of Justice to be valid; rights saved:

Hon. Mr. BRADBURY: What is that? Please read it.

The Hon. the CHAIRMAN (reading):

2. Any order heretofore made or issued by the Minister of Justice pursuant to section forty-three of The Immigration Act, shall be deemed to be and to have been valid and effective to all intents and purposes.

Hon. Mr. DANDURAND: This should be read with the third clause.

The Hon. the CHAIRMAN (reading):

3. This Act shall not affect any rights under any judgment or order which may have been heretofore pronounced, rendered or granted by any court.

Hon. Mr. DANIEL: Section 3 is not retroactive in any way?

Hon. Mr. DANDURAND: No, it is not.

Hon. W. B. ROSS: It is retroactive except for what has been decided. It is partially retroactive. But it is not objectionable.

Sections 2 and 3 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

The Senate adjourned until to-morrow at 3 pm.

THE SENATE

Wednesday, May 27, 1925.

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

Prayers and routine proceedings.

IMPORTATIONS OF IRON, STEEL AND WOOLLEN GOODS

INQUIRY FOR RETURN

On the Orders of the Day:

Hon. Mr. DAVID: I would like to know from the honourable leader of the House when he expects to present the statement, for which I asked, regarding importations of shoes, iron, steel and woollen manufactured goods.

Hon. Mr. DANDURAND: I suppose it was an order for a return. I have not the date, but if the honourable gentleman will furnish me with that, I will inquire from the Secretary of State why this return has not been brought down.

DIVORCE BILLS

FIRST READINGS

Bill Q4, an Act for the relief of Andrew Toulouse.—Hon. Mr. Haydon.

Bill R4, an Act for the relief of Albert Plue Jessop.—Hon. Mr. Haydon.

THIRD READING

Bill I4, an Act for the relief of Sidney Charles Simmons.—Hon. Mr. McCoig.

SECOND READINGS

Bill J4, an Act for the relief of Harriet Elizabeth Couch.—Hon. Mr. Haydon.

Bill K4, an Act for the relief of Margaret Helen Strickland.—Hon. Mr. Haydon.

Bill L4, an Act for the relief of John Henry North.—Hon. W. B. Ross.

Bill M4, an Act for the relief of Walter Thomas Pratchett.—Hon. W. B. Ross.

Bill N4, an Act for the relief of Mary Jane Apedaile.—Hon. W. B. Ross.

Bill O4, an Act for the relief of Cecil Donnelly.—Hon. Mr. Schaffner.

INDUSTRIAL DISPUTES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 25, an Act to amend the Industrial Disputes Investigation Act, 1907.

Hon. Mr. Gillis in the Chair.

Hon. Mr. DANDURAND: I would ask Mr. Brown to come to the floor of the House.

Section 1 was agreed to.

New section 2A, paragraphs i and ii were agreed to.

On paragraph iii of new section 2A—disputes during national emergency:

Hon. Mr. BEAUBIEN: What is that?

Hon. Mr. DANDURAND (reading):

(iii) Any dispute which the Governor in Council may by reason of any real or apprehended national emergency declare to be subject to the provisions of this Act.

It is self-explanatory: it would be in the case of apprehended national emergency.

Hon. Mr. BEAUBIEN: Is not this the clause upon which the whole of the discussion was made last year?

Hon. Mr. DANDURAND: No; this is but the result of the judgment of the Privy Council, and the effort is to enact legislation that limits the exercise of authority by this Parliament to Federal matters.

Hon. Mr. DANDURAND.

Paragraph iv of new section 2A was agreed to.

New section 2B was agreed to.

On section 2—statutory declaration to accompany application for appointment of Board:

Hon. Mr. REID: I would like to ask why these changes are made.

Hon. Mr. DANDURAND: There is but a slight change, which appears as underlined, and it is for this purpose. The clause states that a declaration must be made that there has been no adjustment, and that the dispute has been the subject of negotiations, but that all efforts to obtain a satisfactory settlement have failed. The amendment is made for the purpose of covering the case where it has been impossible for the parties to get together, through the unwillingness of one of the parties. Words added to cover that contingency state, that the declaration must set out "that it has been impossible to secure a conference or to enter into negotiations."

Hon. Mr. REID: If there has been no urgent request for these changes I would like to know why they are being made. From whom does the request for them come?

Hon. Mr. DANDURAND: I do not now remember, because we discussed this clause last Session, exactly what actuated the Department, but I would say that it was the experience gathered in the administration of the clause, where it appeared that it was impossible for a statutory declaration to be made that negotiations had failed, when as a matter of fact they had not begun, because one of the parties refused to enter into negotiations. This slight amendment to the clause was adopted last Session, I think without any discussion. My honourable friend will see that its only object is to cover a case where there has been failure to reach a settlement because of the impossibility of starting negotiations.

Hon. Mr. REID: Of course, there can be no objection to adopting any changes made necessary by the judgment of the Privy Council, but I think we should be careful in making changes unless they are really necessary. We should not run the risk of making it more difficult to induce capital to enter our industries because of complications between employers and employees.

Hon. Mr. DANDURAND: I believe that the Senate last year unanimously passed this slight amendment to paragraph 2 of section 15. If my honourable friend's objection relates to all the amendments that are to come before us, we may discuss them separately; but he will find that the present amendment bears upon the statutory declaration to be made by one of the parties, and if my honourable friend will read the clause carefully he will see that this is a most proper amendment.

Hon. Mr. REID: I am not going to object to this particular clause, but I only wish to draw attention to the necessity of being careful in amendments to labour legislation. I think we should not unnecessarily upset the working of an Act that has been going on with satisfaction for so many years.

Section 2 was agreed to.

On section 3—relation of parties to remain unchanged pending proceedings before a Board:

Hon. Mr. BEAUBIEN: Is this the clause that has been twice rejected by the Senate?

Hon. Mr. DANDURAND: No. My honourable friend is mistaken. It was carried last Session, I think quite unanimously. Perhaps my honourable friend resigned himself to seeing it passed, but in Committee there had been divisions on two clauses, and each time the majority of the Senate rallied to the principle contained in this clause, and it received unanimous consent and a third reading.

Hon. Mr. BEAUBIEN: I am sorry if I have misled the Senate: I did not recollect that the clause had passed last year. I know certainly that it did not pass without a very strenuous effort on the part of certain members of this House. Of course, it goes without saying that on the third reading it is absolutely useless to begin the fight over again.

I want to draw attention to the fact that it is a perfectly unjust principle. Of course, the scope of the Act is limited, and therefore that injustice will not now be so great as it was before, but the principle is there, and wherever it operates it is going to operate unjustly. Everybody knows perfectly well that it imposes an obligation that is binding on one side, and absolutely unbinding upon the other side. Everybody knows that you cannot impose upon men belonging to a union which is not incorporated a legal obligation not to strike-and the unions in this country are not incorporated. That is On an illusion that is put into the statute. the other hand, everybody knows that that clause may operate very unjustly against capital, and I ask, why should we in this House knowingly create an injustice? Are we obliged to do so?

Hon. Mr. DANDURAND: The honourable gentleman takes for granted that there is an injustice.

Hon. Mr. BEAUBIEN: Everybody knows it. Will my honourable friend contend that he can hold 10,000 men by a clause in a statute telling them not to strike? Everybody knows that that clause is absolutely futile as far as the men are concerned, but that it operates against every corporation. With this amendment, no corporation will dare to change wages, even though they have good reason for doing so, and during that time they may accumulate goods which they will never be able to sell because they were produced at wages absolutely out of reason.

Why is it we are forced to adopt such legislation? That is what I do not understand. Again I raise my voice in protest against that kind of thing, which has come before this House two or three times. Even if I am alone I will have to do it. It is absolutely unfair. We are constantly being pushed by what is called the voice of the people. But the voice of the people calls for justice, when they analyze the situation. This clause is not just, because it operates upon only one party, and I do not think it should pass.

Hon. Mr. DANDURAND: I have heard my honourable friend before on this clause, and, although he holds strong views, and expresses them with vigor, he was defeated in this Chamber last year by a vote of 28 to 15, which probably shows that there is another point of view which carried the majority. That point of view is the principle of equality. Now, my honourable friend says that on the face of the Act there is equality. A most respectable paper, the Montreal Gazette—which I read every morning when I take my coffee—said this morning:

A new clause in the Bill provides that any employer declaring or causing a lockout or making effective a change in wages or hours contrary to the provisions of the Bill shall be liable to a fine of not less than \$100 nor more than \$1,000 for each day or part of a day that such lockout or change exists. There is no such penalty provided in the case of those who cause a strike contrary to the provisions of the Bill.

Well, I am glad sometimes to find an error in my morning gospel, so that I may feel that I am not the only fallible person in the realm. Of course, the writer of this article had the Bill, and saw that amendment, but he did not read the clause in the Act itself, which is as follows:

Any employee who goes on strike contrary to the provisions of this Act shall be liable to a fine of not less than \$10 nor more than \$50, for each day or part of a day that such employee is on strike. There needed to be no such amendment presented in this Bill, because it is already in the Act.

My honourable friend says there is injustice in that the employee cannot be reached. Well, he has been reached at times, and I draw attention to the fact that it is a personal obligation upon each of the men. There have been in all nineteen prosecutions under the Industrial Disputes Investigation Act since its enactment. Six of these were against employers-for alleged illegal lockouts, breaches of agreement, reduction of wages prior to dispute being dealt with by Conciliation Board; ten were against employeesfor alleged illegal strikes, inciting strikes, aiding strikes, etc.; and in three cases an injunction was sought to restrain Board procedure.

My honourable friend says the parties have to remain as they are till the Board has made a pronouncement. Whatever the decision of the Board, we all know that it can be set aside or refused, and then the parties are free to do as they please. Is there really an injustice in view of the fact that the status quo will be maintained pending investigation?

Hon. Mr. BEAUBIEN: Will it be maintained? That is the question.

Hon. Mr. DANDURAND: The verv essence of this Act is to prevent strikes. It has done its work well. In 600 cases it has prevented strikes. What will happen if we say that the employer is to be penalized if he refuses to maintain the status quo? Before answering that question I want to state that the Act as it is on the Statute Book places an obligation upon the employer to maintain the status quo; the only thing that the Act does not say is that he will be penalized if he disobeys the law. I believe it is good law to say: "You shall respect that law; there will be a penalty if you violate it;" especially when there is a penalty imposed upon the other party to the contract.

What will be the situation if we pass this amendment? It will be a notice to the employer that he is to maintain the status quo. He is the party who decides that he has to reduce wages or to alter the conditions of a contract; and, knowing that he must give thirty days notice he can fix his own date. It is because he can fix his own date that I see no injustice in this amendment. He knows that he will have to await the result of the investigation. He need not Hon. Mr. DANDURAND. violate the spirit of the law: he only needs to know that he will be penalized. He had a moral as well as legal obligation under the Act as it was. Now we say that if he disobeys that law he will have to pay the penalty just as the poor employee does. He will prepare for that contingency, and will take time by the forelock and give the necessary notice in order to be free from the decision if it displeases him.

My honourable friend has said that we should leave well enough alone-that we should not threaten capital. I draw attention to the fact that the Act has received the commendation of most of the civilized countries in the world; and if we can perfect an instrument that guarantees a minimum of strikes, I think we will have done good work for the people of Canada. We have been the pioneers in this kind of legislation. When moving about Europe a year or two after the passage of the Act, I found that it was regarded as a new instrument of peace in industrial conflicts. I believe we are moving in the right direction in re-establishing the Act for use by the Federal authorities, and establishing equality between employer and employee. There was equality in the obligation to maintain the status quo, but there was inequality against the employee in the penalty imposed. It was decided by a vote of two to one in this Chamber that there should be equality between the parties, and I am quite sure that this clause will not be rejected after having been passed by such a vote last Session.

Hon. Mr. CASGRAIN: The honourable gentleman said a moment ago that this Bill passed the Senate last Session. That being so, I would like to ask him why it did not become law. It was not accepted—

Hon. Mr. DANDURAND: My honourable friend is in error. It passed the Senate.

Hon. Mr. CASGRAIN: But it went to another place and did not pass there.

Hon. Mr. DANDURAND: But it was not that clause which prevented it passing.

Hon. Mr. CASGRAIN: The honourable gentleman says this is exactly the same Bill as that which we passed last year. Has there been a change of soul or mind in the other place that he thinks it is going to pass this year?

Hon. Mr. DANDURAND: I will answer my honourable friend. Our amendments were not accepted in the other Chamber last Session because there was added by the honourable

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gentleman from Middleton (Hon. W. B. Ross) an amendment transferring the power of the Minister of Labour to choose the umpire on these arbitration boards to the Chief Justice of either the Superior Court or the Supreme Court. It was on that clause that the Bill failed to receive the ratification of the Commons, but the amendment which we are now discussing had passed the Commons. Naturally, the Minister of Labour has not introduced the amendment affecting umpires in this Bill. He did not concur in it when the Bill met with the refusal of the Commons upon its return from this Chamber last Session. The present amendment, however, passed the Senate, as it had been passed by the Commons.

Hon. Mr. McMEANS: Is this the Act that was declared ultra vires by the Privy Council?

Hon. Mr. BEAUBIEN: Yes.

Hon. Mr. DANDURAND: This is the Act that was declared ultra vires in the form in which it is on the Statute Book. In order to conform to the dictum of the Privy Council the present amendments are before this Chamber.

Hon. Mr. McMEANS: That is, the Act itself was declared ultra vires.

Hon. Mr. DANDURAND: Some of its clauses.

Hon. Mr. McMEANS: Only some of its clauses?

Hon. Mr. CASGRAIN: The honourable gentleman speaks of equality. He says there is equality between the employer and the employee. That is his contention because there is provision for a fine against the employer and also against the employee. But how can a fine be collected from the employee? Perhaps the honourable gentleman could tell us now how many of the thousands of employees in this country have ever paid that fine during the past twenty years?

Hon. Mr. DANDURAND: I am informed by the representative of the Department of Labour that the employees have paid their fines—

Hon. Mr. CASGRAIN: How many-a dozen?

Hon. Mr. BEAUBIEN: Six.

Hon. Mr. CASGRAIN: Now is the time to let us know, before the Bill goes through.

Hon. Mr. ROBERTSON: How many employers were fined?

Hon. Mr. CASGRAIN: I do not know about that. It is onesided legislation: it is all for one side and all against the other: it is a case of heads you win and tails I lose. That is about the plain English of it.

Hon. Mr. REID: In taking part in this discussion. I wish it to be understood that I am not in sympathy with either side, but only wish to see a law on the Statute Book which will be in the best interest of the country as a whole. The first part of this Bill, as I understand it, is for the purpose of continuing in force the Industrial Disputes Act which has been in operation for so many years. I think we all agree that that Act should be allowed to continue. It has done good work in the past and will continue to do good work in the future. The Leader of the Government has stated that other countries have copied the law as it has stood on the Statute Book for so many years. That is true, but there has been no such clause in the Act as is contained in this Bill.

But there is another side to this question. There are a great many industries in this country to-day that are sailing pretty close to the wind. At present everything is going satisfactory with the employers and the employees; but Parliament might reduce the tariff overnight, and consequently an industry might have to lower wages; yet the employer must give thirty days notice.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that the Act as it stands on the Statute Book mentions the thirty days, and even if this amendment is rejected that provision remains in the Act. Section 57 of the Act says:

Employers and employees shall give at least thirty days notice of an intended change affecting conditions of employment with respect to wages or hours; and in the event of such intended change resulting in a dispute, until the dispute has been finally dealt with by a board, and a copy of its report has been delivered through the Registrar to both the parties affected, neither of those parties shall alter the conditions of employment with respect to wages or hours.

Hon. Mr. REID: Will the honourable gentleman read on and tell me if there is provision for a fine of \$1,000 a day if the thirty days notice is not given? That is what I was discussing just now.

Hon. Mr. ROBERTSON: Would my honourable friend keep in mind constantly the fact that this law does not apply to ordinary industry, but to public utilities that are interprovincial, such as railroads and telegraphs. Therefore the condition which my honourable friend refers to could not obtain.

Hon. Mr. REID: If that is all it applies to, it is all the greater reason why such a provision should not be in the Bill at all. As far as the railways are concerned, they are working very satisfactorily; they have a Board appointed by themselves, and have no trouble at all. I do not think the employees or the railways have asked to have this clause put in. When it comes to public utilities or Government works, then you get in the thin edge of the wedge, and next Session you will introduce a Bill to make the law apply to manufacturing and other industries as well. We are getting too much legislation on the Statute Book for the good of the country as a whole. I think we should go slowly with this kind of legislation until either the employers or the employees act. If they have not requested or demanded this legislation, we should not insist upon it. Let us come out into the open, and see who wants it. Does the Government want it for its utilities? I do not believe it. Do the railways want it? I do not think so. I do not believe that any Government, Liberal, Conservative or Progressive, wants a clause providing for a penalty of \$1,000 a day. As has been said, you cannot collect the fine from the employee. That clause was not intended for men walking out, but for those who went out and did violence. Men who commit acts of violence should be liable to a fine, but that should be the only cause; and I defy the leader of the Government to point to any other cause. Because a \$10 fine is imposed on an employee that is no reason why an industry should be made liable to a \$1,000 fine.

Hon. Mr. DANDURAND: My honourable friend seems to be frightened at the \$1,000 clause. I would draw his attention to the fact that the Act now on the Statute Book provides for that penalty. I will read it to my honourable friend:

58. Any employer declaring or causing a lockout contrary to the provisions of this Act shall be liable to a fine of not less than one hundred dollars, nor more than one thousand dollars for each day or part of a day that such lockout exists.

He will find that the change now made is to add the words, "or making effective a change in wages or hours."

58. Any employer declaring or causing a lockout or making effective a change in wages or hours contrary to the provisions of this Act shall be liable to a fine of not less than one hundred dollars, nor more than one thousand dollars, for each day or part of a day that such lockout or change exists.

The words "or change" are also new words. Why are the new words added? Why were they forgotten in 1907? My honourable friend will see the reason. It is because in Hon. Mr. ROBERTSON. 1907 wages were generally low, and the effort was to increase them. Nobody ever thought that there would come such a change in economic conditions that the employer would at a certain time declare his intention to reduce wages. It was inconceivable in 1907 that the employer would be in a position to impose such a reduction. Now the tables are turned, the situation is altered. Labour has obtained increased wages. In some cases, I believe, those wages should be reduced. I do not think that all the rates increased during the war because of special conditions and higher cost of living should remain up in the air. But my honourable friend has now the reason why a little change is made. All that could be imagined on the part of the employer was a lockout, not a reduction of wages. It was the other party who was fighting for a change in the wages. Now that they are to be reduced, there must be a penalty imposed on anyone who reduces wages without conforming to the present Act, which declares that pending the reference to a Board, the status quo shall be maintained. That is all.

Hon. Mr. REID: I would like a little further explanation. The Act that the honourable leader has been citing applies to all industries, I suppose.

Hon. Mr. DANDURAND: No, only to public utilities. That is all there is under the Industrial Disputes Investigation Act.

Hon. Mr. REID: As I understood the honourable Senator from Welland (Hon. Mr. Robertson), he stated that it was to apply only to railways and public utilities.

Hon. Mr. CASGRAIN: And mines.

Hon. Mr. DANDURAND: We have passed the first clauses of this amending Bill. They revive the Federal power to apply the Industrial Disputes Investigation Act to matters that come under Federal jurisdiction, inasmuch as the Privy Council has declared that we cannot invade provincial jurisdiction and that we must limit our actions to the Federal sphere.

Hon. Mr. REID: The Industrial Disputes Investigation Act that was before the Privy Council, as I remember the Act, applied to all industries that were under the jurisdiction of the Dominion Government.

Hon. Mr. DANDURAND: No. My honourable friend is in error. Only to public utilities. I will quote the clause.

Hon. Mr. BEAUBIEN: Will my honourable friend (Hon. Mr. Dandurand) bear with me for just a few minutes? I do not infer that from the interpretation clause at all. Section 2 limits the scope of the operations of the Act. What does that section say?

This Act shall apply to the following disputes only: (i) Any dispute in relation to employment upon or in connection with any work, undertaking or business which is within the legislative authority of the Parliament of Canada—

That is wide enough.

-including but not so as to restrict the generality of the foregoing:

May I call my honourable friend's attention to paragraph (g)?

(g) Works, undertakings or business of any company or corporation incorporated by or under the authority of the Parliament of Canada.

Which means that now any company or corporation drawing its life either from an Act of Parliament or from letters patent issued by the Department of the Secretary of State falls under the scope of this Act.

Hon. Mr. DANDURAND: I will answer my honourable friend.

Hon. Mr. BEAUBIEN: I must say that at first blush it seemed extraordinary to me; but, no doubt, the officers of Department of Justice must have been very careful when they drafted this Bill. They had had a lesson read to them by the Privy Council, and they drafted this Bill while they were still under the influence of that severe punishment. They must have been very careful. Now, what is the opinion of the Department of Justice?

Hon. Mr. DANDURAND: I will give it to my honourable friend. I must first say that the legislation has been most minutely examined and supervised by the Department of Justice. If my honourable friend will look at section 2B of the amending Bill he will see:

The provisions of this Act shall be construed as relating only to the application of the Industrial Disputes Investigation Act, 1907, and not so as to extend the meaning of the word "employer" as defined by section two, paragraph (c), of the said Act.

What is an "employer"?

"Employer" means any person, company or corporation employing ten or more persons-

Hon. Mr. BEAUBIEN: Where is that?

Hon. Mr. DANDURAND: That is in the old Act. This amending Bill says that its provisions shall be construed as relating only to the application of the Industrial Disputes Investigation Act, 1907.

Hon. Mr. BEAUBIEN: What does "employer" mean?

Hon. Mr. DANDURAND (reading):

"Employer" means any person, company or corporation employing ten or more persons and owning or

operating any mining property, agency of transportation or communication, or public service utility, including, except as hereinafter provided, railways, whether operated by steam, electricity or other motive power, steamships, telegraph and telephone lines, gas, electric light, water and power works, or any number of such persons, companies or corporations acting together, or who in the opinion of the Minister have interests in common.

Hon. Mr. BEAUBIEN: That last part seems to be pretty wide.

Hon. L. C. WEBSTER: That is very wide.

Hon. Mr. BEAUBIEN: How does my honourable friend interpret that last part of the paragraph? Is it restricted by the first part?

Hon. Mr. DANDURAND: It means a group. I would not like to hurt the feelings of my honourable friend—it means a merger, for instance, or a trust. So it is extended beyond the individual utility.

Hon. Mr. ROBERTSON: May I presume to draw my honourable friend's attention to this fact, that under the operation of the Act in the past a dispute might extend over a number of coal mines, for example, within, say, the province of Nova Scotia—perhaps over 26 or 30 of them. They had interests in common. Under that clause, or the interpretation of that clause, it was possible to establish one Board of Conciliation to deal with a dispute involving all the employers, although there was in that case probably no merger existing.

Hon. Mr. DANDURAND: Or it would cover the Shipping Federation.

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. WEBSTER: Would it cover the boot and shoe industry?

Hon. Mr. ROBERTSON: No.

Hon. Mr. DANDURAND: No; because there are so many people who are shoeless it is not an absolute necessity. A public utility is a service in which a third party, the public, is vitally interested, and it is to protect the public against conflicts from which it might suffer that this Act has come into force.

Hon. Mr. BEAUBIEN: Answering directly the honourable member from Welland, I may say that any mine, in any province, incorporated by letters patent, would evidently fall immediately under the scope of this law.

Hon. Mr. ROBERTSON: Prior to the Privy Council's decision. Hon. Mr. BEAUBIEN: Any dispute in any mine incorporated by letters patent from the Department of State of Canada would immediately fall under the scope of the law. My honourable friend can see how wide is the scope of this Bill.

Hon. Mr. DANDURAND: I believe that every honourable member in this Chamber will feel that it is the duty of the Dominion Government and the authorities to see that this Act applies to any works that come under federal jurisdiction. My honourable friend forgets that it is of great importance to maintain law, order and prosperity throughout the country, and strikes bring prosperity to no one. The good effect of this Act has been to prevent strikes and lockouts. Furthermore, we have passed that stage of the Bill; we are now on clause 3.

Hon. Mr. BEAUBIEN: But my honourable friend forgets altogether that the law which he now claims has done such good service never had in it the provision which he now wants to introduce by this amendment.

Hon. Mr. DANDURAND: The conditions are new.

Hon. Mr. BEAUBIEN: So what you had before was really a conciliation law; nobody was constrained; and therein lay its virtue.

Hon. Mr. DANDURAND: But my honourable friend is in error.

Hon. Mr. BEAUBIEN: I will refer to that in a moment. The parties were brought together and urged to have a conciliatory conference. There was no big stick in sight at all. That is where the Act really served the purpose for which it was passed. But now what are you doing? My honourable friend says, "We already have an obligation in the law, and we are strengthening that obligation." You had put into the statute an obligation which did not operate either one way or the other. Both parties were absolutely indifferent to it; therefore the law remained in spirit, as it was first enacted, a conciliation measure. There was in it no constraint at all. But now you are changing it.

Hon. Mr. DANDURAND: Altering it.

Hon. Mr. BEAUBIEN: You had a clause that nominally imposed an obligation, but in reality did not. Therefore the law was nothing but a conciliation law. But, as I stated last year to this House, you are putting teeth into it. That is what you are going to do.

Hon. Mr. ROBERTSON.

Hon. Mr. DANDURAND: There must be respect for the law.

Hon. Mr. BEAUBIEN: And you are very careful that they shall be used only on one side.

Hon. Mr. DANDURAND: No. I invite my honourable friend to read section 59.

Hon. Mr. BEAUBIEN: I will put this case before my honourable friend. There are probably 50,000 or 60,000 employees on the railways of Canada at present; perhaps more. If a strike were called to-morrow without notice, would my honourable friend contend before this House that it would be at all possible to impose, or think of imposing, a fine on any one of those fifty or sixty thousand men? Why, it would not even enter his mind; he would repel any such thought.

Hon. Mr. DANDURAND: If they acted illegally?

Hon. Mr. BEAUBIEN: Yes, if they went on strike. Since the inception of the law there have been six of such cases—six as compared with 500,000 workmen in Canada.

Hon. Mr. ROBERTSON: Because they did not violate the law.

Hon. Mr. BEAUBIEN: Six cases in twenty years. And my honourable friend knows that absolute violation of that law took place, not once, but many times.

Hon. Mr. ROBERTSON: On the railroads?

Hon. Mr. BEAUBIEN: No, not on the railroads. After this morning's session of the Committee everybody knows that there could not possibly be a strike on the railways. We know how the charge for wages on the railways has jumped in the last few years from about thirty millions to seventy-five millions -an increase of 250 per cent. Do you think it is possible for the workers on the railways to strike? No; not until such time as the people get hungry and have to go to these gentlemen and ask them to be kind enough to reduce their wages. I do not know what will happen then. Will the Government dare to have the teeth of this Bill applied to the 60,-000 workers on the railways? I would like to see the Government that would dare to do that. But the teeth will be applied to capital, because capital is something anonymous. Although it does represent thousands and thousands of poor people, as well as of rich, it is a thing that you can strike at and that does not strike back, because it does not vote as does the man in the street. That is why such extraordinary things happen. There are mentalities that are just and fair under ordinary circumstances, but not when comparing numbers on one side with what I might call quality on the other. When you have 500,000 workmen on the one hand and perhaps 5,000 corporations on the other, there can be for the Government no other decision than to side with the 500,000 voters. That is the rule. If this case were submitted to a jury composed of judges, my contention is that within half an hour they would ask the Government: "Is that clause binding on the workmen? Can you assure us that it is?" The Government could not say that it is binding, for it is not. The judges would say: "We shall wait until you find a method whereby this Act can be enforced justly on both sides; then come back to us." That is what would happen. But we have no such mentality today, unfortunately. I regret it. But I would point out to my honourable friend that the scope of this law is much wider than he thinks. It applies to every corporation that is called an employer under the clauses which he has cited, and incorporated either by Act of Parliament or by letters patent from the Department of State of Canada. That is a very wide scope indeed.

Hon. SMEATON WHITE: I would like to ask my honourable friend what he understands by the words "go on strike"?

Hon. Mr. DANDURAND: My honourable friend will find it in the interpretation clause: "Strike" or "to go on strike" (without limiting the nature of its meaning) means the cessation of work by a body of employees acting in combination, or a concerted refusal or a refusal under a common understanding of any number of employees to continue to work for an employer, in consequence of a dispute, done as a means of compelling their employer, or to aid other employees in compelling their employer, to accept terms of employment.

Hon. Mr. REID: I would like a little better explanation as to the application of this Act to railways and public utilities. I have read the Act, and must confess that I think it takes in all industries. Paragraph e of subsection 2A is as follows:

This Act shall apply to the following disputes only: (e) works, undertakings or business belonging to, carried on or operated by aliens, including foreign corporations immigrating into Canada to carry on business;

I take it that that clause would apply to any industry, say in the United States, that might have or wish to establish a branch in Canada. Might not the clause just quoted apply to public utilities such as are mentioned in paragraph g:

(g) works, undertakings or business of any company or corporation incorporated by or under the authority of the Parliament of Canada. I take this clause to mean that if any company got a charter through the Parliament of Canada, this Act would apply to it. But it goes further and says: "by or under the authority of the Parliament of Canada." As the Parliament of Canada has given power to the Secretary of State to issue charters to corporations without an Act of Parliament, this Act would apply to every company that holds a Dominion charter.

But it goes further still. There are thousands of companies incorporated by the provincial legislatures, and the idea is to get after them as well. Subsection iv reads this way:

(iv) Any dispute which is within the exclusive legislative jurisdiction of any province and which by the legislation of the province is made subject to the provisions of this Act.

In other words, as I interpret this clause, it means that every company or employer of labour that has invested money in any industry incorporated under an Act of the Parliament of Canada will be subject to this Act. It goes further than railway corporations. They want to make this apply also to the provinces, and that raises serious problems, for there may be political questions in the provinces that will interfere. I would like the leader of the Government to tell me in what respect my interpretation is wrong.

Hon. Mr. DANDURAND: My honourable friend will notice that new section 2B limits the operation of this amendment to the employer as defined by the Industrial Disputes Act of 1907:

2B. The provisions of this Act shall be construed as relating only to the application of The Industrial Disputes Investigation Act, 1907, and not so as to extend the meaning of the word "employer" as defined by section two, paragraph (c), of the said Act.

My honourable friend will have to look to the Act itself to find what the word "employer" means, and he will there find that the provision applies only to public utilities.

Mr. REID: Then we have all those other clauses.

Hon. Mr. DANDURAND: My honourable friend will have to read clause 2A, which says:

2A. (1) This Act shall apply to the following disputes only :—

(i) Any dispute in relation to employment upon or in connection with any work, undertaking or business which is within the legislative authority of the Parliament of Canada, including but not so as to restrict the generality of the foregoing:

There were a few examples given for the direction of the courts, and those are to be found in paragraphs a to g; but they are not so given as to limit that general statement—that the Act will apply to any dispute mentioned in subsection i; and under the Act of 1907 it can apply only to public utilities.

Hon. Mr. REID: As it will be impossible to get through this Act this afternoon, I would suggest that the honourable leader would agree to let it stand until to-morrow. It is a very important Act, and should be carefully considered.

Hon. Mr. DANDURAND: I think my honourable friend will sympathize with me when I tell him that, if he has given us all the light that he possesses on this clause, there would be greater danger in adjourning the matter until to-morrow. New members will come in and put the same questions that have been put, and at 5 o'clock we will be asked to adjourn for another day, when we will have another set of Senators who will ask the same questions. I have seen that in the House of Commons. One evening, from 8 o'clock till 12, the then Minister of Justice, Right Hon. C. J. Doherty, had to answer ten times the inquiries that were put to him on an Act, and I could see gentlemen come in and hear them say: "Unfortunately I was not here when the honourable gentleman gave his explanation;" so the questioning would start again. If my honourable friend has about exhausted his arguments, will he not allow us to go out of Committee, and take the third reading tomorrow?

Hon. Mr. REID: Of course, I sympathize with the honourable leader, but at the same time I object very strongly that when an important Bill like this comes before us we are expected to put it through simply as a rubber stamp. I think it should be discussed thoroughly. We have plenty of time, even if it should take till the day after to-morrow. The honourable leader says that other Senators will be coming in. I think every Senator in this Chamber should have all the light that can be thrown on this legislation.

Hon. Mr. DANDURAND: But it is the duty of every Senator to be in his seat.

Hon. Mr. REID: Certainly it is, but there are particular times when every Senator cannot be here. A Bill like this should not be rushed through hurriedly. I have not exhausted all I have to say on it; but if the honourable leader wishes to go ahead I am willing.

Hon. Mr. CASGRAIN: I really believe that the honourable gentleman is quite right. When the members of this House will have Hon. Mr. DANDURAND. slept over this Bill and thought it out carefully they may bring some very good arguments.

Hon. Mr. DANDURAND: They have slept two years on it.

Hon. Mr. CASGRAIN: But after speaking to one another they might to-morrow enlighten this Government, though I do not say it needs any enlightenment. However, I have just received a very important letter. There has been complaint that we have not had enough to do this Session, and I think we should enjoy a discussion. The word "parlement," in French, means a place where we talk, and we ought to have a little more to say here.

This letter is from the Canadian Institute of Mining and Metallurgy:

May 23rd, 1925.

Honourable J. P. B. Casgrain, The Senate of Canada,

Ottawa, Ontario.

Dear Sir:

The Executive of the Institute have noted with regret that Bill No. 25 "An Act to Amend the Industrial Disputes Act 1907" has again passed the House of Commons and will shortly come before the Senate.

You may remember that we wrote you on June 10th, 1924, protesting against the Bill and recorded several well founded objections of both the mine operators and this Institute.

Since that date there have been no developments in any way influencing the Institute's Executive to change its recorded opinion of last year. In fact, the passing of this Bill during the present disturbed industrial conditions of the country would be most detrimental and we respectfully ask that the Bill be carefully studied before it is endorsed. Representatives of both the Institute and mine

Representatives of both the Institute and mine operators would be glad of the opportunity of appearing before you in Ottawa in case further information is desired.

Yours faithfully,

Geo. C. Mackenzie,

Secretary-Treasurer.

Surely, in an instance like this, the discussion might be postponed until another day.

Hon. Mr. ROBERTSON: Only last night I incidentally found that this very Institute, which has been in the habit of religiously opposing this Bill for years past, have not engaged their usual medium to represent their case here, because they say that they are not concerned, since the decision of the Privy Council exempts provincial organizations, such as a local mining company, from the operation of this Act.

Hon. Mr. BEAUBIEN: Will Cape Breton be in this Act?

Hon. Mr. ROBERTSON: Cape Breton is in it. That is why the Federal Government have said "Hands off," and have lain down and done nothing in connection with the lamentable situation which now exists in Nova Scotia. They say: "We have no responsibility."

May I point out to my honourable friend from Grenville (Hon. Mr. Reid) that the amendments involved in this Bill have been passed by both Houses in two preceding years, and on each of those occasions they were thoroughly discussed in this House in detail. I rather agree with my honourable friend the leader of the Government that it is quite unnecessary to continue going over the points that we have disposed of on two previous occasions, and are asked now to re-endorse.

Hon. L. C. WEBSTER: May I ask the honourable leader whether the following subsection would apply to the coal mines:

(iii) Any dispute which the Governor in Council may by reason of any real or apprehended national emergency declare to be subject to the provisions of this Act.

Hon. Mr. DANDURAND: The judgment of the Privy Council says it should apply.

Hon. Mr. BEAUBIEN: In that case it applies to anything and everything. In order not to stay under any false impression, I would like to put a plain, straight question to the Government; whether this amendment applies or does not apply to local mining in the different provinces by companies incorporated under letters patent or Act of Parliament of the Dominion. Would the honourable gentleman from Welland put that question? If not, I will put it.

Hon. Mr. ROBERTSON: I should be glad to have the honourable gentleman put the question if he desires. In my judgment it is wholly unnecessary to ask the question. Under subsection iii the Governor in Council may declare any industry to be a public utility within the meaning of the Act if an emergency exists. I think that if I were an employer, in that case I would object to a Board being appointed, and would do exactly as the Hydro-Electric Commission did last year, and I would be supported by the courts and by the Privy Council. I think this is a fool proposition, and a fool clause in the Bill; but it does not affect the administration of the law so far as the administrator of that law keeps within it; therefore the clause can do no harm, and I am not worrying about it. I think it is wholly unnecessary. The employer has his protection at all times.

Hon. Mr. BEAUBIEN: Will the honourable leader answer my question—because I see the honourable gentleman from Welland, as usual, has kept away from it: it was not a question with which he was sympathetic. My question is simply this: under paragraph (g) of section 2A it is quite evident that the Act will apply to disputes in works, undertakings, or business of any company or corporation incorporated by or under the authority of the Parliament of Canada—that is the first qualification, so to speak; and the second, my honourable friend says, is the restriction in the word "employer." I want to know if a mine incorporated by letters patent in Ottawa, but functioning wholly in one province, would fall under the scope of the Industrial Disputes Act as amended.

Hon. Sir JAMES LOUGHEED: Refer it to the Privy Council.

Hon. Mr. BEAUBIEN: No: I can get a straight answer from my honourable friend, the leader of the House. If I did not know that he would give me such an answer, I would not put the question to him. I know I am going to have a straight answer.

Hon. Mr. DANDURAND: Is it from me?

Hon. Mr. BEAUBIEN: Yes, of course: I am waiting.

Hon. Mr. DANDURAND: All I can tell my honourable friend is that this text comes to me from the House of Commons. It was presented in that House by the Minister of Labour, and supported by the Minister The Department of Justice Justice. of declared it to be on all fours with the judgment of the Privy Council. I present it as I received it from the Department of Justice, with the sanction of that Department. My honourable friend will not surely ask me to give my personal opinion upon the extent of some of these clauses. I may say that I have my own fear as to the application of one of them; but, as the honourable gentleman from Welland (Hon. Mr. Robertson) says, it is in the Act; it will surely serve a good purpose if there is a difference of opinion on its legal aspect and it is tested in the courts. I might not like to say that the Privy Council would be wrong if it declared that we are going beyond the authority of the Parliament of Canada in some respects in this Bill. I have my fears as to a certain aspect of the Act, but I believe it is most important that the Federal authorities should be clothed with power to prevent strikes in a field which, generally, is its field, and for that purpose I commend the Act to the Senate.

Hon. Mr. BEAUBIEN: I humbly beg the pardon of this House and of the honourable gentleman for having put my question so obscurely that the honourable gentleman could not answer it. I thought my question was plain, but I am going to repeat it again. If there is any trouble in a mine incorporated at Ottawa, will that mine fall within the scope of the Industrial Disputes Act? If my honourable friend has any doubt, perhaps he can get some information not very far from him.

Hon. Mr. DANDURAND: It would fall under paragraph g of the first section:

Works, undertakings or business of any company or comporation incorporated by or under the authority of the Parliament of Canada.

Hon. Mr. REID: I would like to ask the honourable gentleman why that would not apply to an industry?

Hon. Mr. DANDURAND: Because the scope of the Act is limited. The Bill mentions mines as public utilities. If my honourable friend will read clause 1 of the Bill he will find descriptions of most of the utilities covered. There may be others which are not mentioned, but which fall under the general declaration.

Hon. Mr. GORDON: Honourable gentlemen, I was very much concerned about the insertion of this clause in the Bill of last year, and I remember very distinctly that the information which I got from the leader of the House at that time was that it would cover all mines. We all know that in Northern Ontario and Quebec there is to-day a great mining development; and if this Act is to apply to companies employing ten men or more it is going to operate very adversely on many small companies which are in process of development. Suppose to-morrow an owner were under the impression that he could no longer pay the wages which he had been paying in order to show that he had a mine, and he decided that he had to close down or pay his men less, under this provision he would have to continue paying his men the wage which they had been receiving.

Hon. Mr. CASGRAIN: How could he if he hadn't the money?

Hon. Mr. REID: Borrow it from the Government.

Hon. Mr. GORDON: That is the point I am trying to bring out. If this clause is left in the Act, it is going to retard the development of that country very materially, and I think the Government would be well advised to withdraw it.

Hon. L. C. WEBSTER: May I suggest to my honourable friend that we might postpone this discussion until to-morrow.

Hon. Mr. BEAUBIEN.

Hon. Mr. DANDURAND: I think I heard my honourable friend make a similar request on several occasions last Session.

Hon. L. C. WEBSTER: And it was always courteously received.

Hon. Mr. DANDURAND: I draw attention to the fact that the amendments do not alter the position of these miners.

Hon. Mr. GORDON: But the penalty which will be enforced under clause 4 is a new one. There was no such penalty as that in the old Act.

Hon. Mr. DANDURAND: The penalty is the same.

Hon. Mr. GORDON: Why re-enact it?

Hon. Mr. DANDURAND: To make the law clearer.

Hon. Mr. CASGRAIN: What would happen to some of those miners if they did not have the \$1,000? Many of them have not got it.

Hon. Mr. DANDURAND: Surely my honourable friend realizes that since 1907 this Act has been applied in a humane and intelligent way, and that there have been no such cases as the honourable gentleman cites. One may imagine all sorts of cases, but in the general application of this Act there has been no cruelty to any of these small companies. It is for the general advantage of Canada to maintain peace and order between capital and labour. The case my honourable friend speaks of would hardly be one in which there was capital.

Hon. Mr. BEAUBIEN: May we ask the honourable gentleman to adjourn this matter until to-morrow. There is a more serious question involved, namely, the constitutionality of the law.

Hon. Mr. DANDURAND: If my honourable friend wants to adjourn on that point, I would suggest that we should sit to-night. We would not settle that question until three o'clock to-morrow morning.

Hon. Mr. BEAUBIEN: I do not know that we need impose upon ourselves night work at this stage of the Session. What is the hurry to get this Bill through? After all, this is a very serious matter. The operation of this law is going to govern companies doing business exclusively in a Province. Supposing a mine in the Province of Quebec has been incorporated under letters patent of the Federal Government, and there is trouble a dispute between labour and capital, a strikeimmediately the Federal Government will say the law applies. In my opinion, it would not apply, because there will be a question purely and simply of civil law, as to whether or not the contract binding the men to the company and the company to the men, which is exclusively a civil contract, falls under Federal or Provincial jurisdiction. My opinion is that it would fall under Provincial jurisdiction, and the Privy Council has so stated. Still, it is quite evident that this law can be interpreted as extending to such a case.

We are here to revise. We told the Government that two years ago, but it took no heed. What was the result? The result was that the Bill was thrown out. We do not want to pass unconstitutional law: why should we hurry this through?

Hon. Mr. DANDURAND: I draw attention to the fact that the whole question of constitutionality is contained in clause 2. We are now reviewing an old friend. My honourable friend and I have each made half-a-dozen speeches on the clause which is now under review, and must have occupied six or eight hours. If he wants to discuss the constitutionality of the Act, he can do so now only on the third reading. Kindly allow me to move the adoption of clause 3, which is the clause under discussion, and upon which we voted twice two years ago-in Committee and on the third reading-and on which we voted last year. Surely the Senate will have no more light on this clause to-morrow than it has at present. I am sure my honourable friend does not wish to impose upon the one who has to explain this clause a repetition of what we have just had.

Hon. Mr. BEAUBIEN: I do not want to bore the House, but my honourable friend will understand that clause 3 makes the whole law objectionable. Without clause 3 it is innocuous. I am drawing the attention of the Government to the consequences of that clause. You are putting the teeth in now and are driving them in where you have no jurisdiction—in every Province. Why should you do that?

Hon. Mr. DANDURAND: We did it last year.

Hon. Mr. BEAUBIEN: And the Privy Council told you you were wrong.

Hon. Mr. DANDURAND: Yes, but not on the principle contained in this clause, because there is very little in it. The Act said that if an employer caused a lockout, he was liable to a penalty up to \$1,000; now we say that if he changes conditions in wages or hours, he is liable to a penalty. That is all. It is the same thing, because the change may bring about a lockout. We are clarifying the situation, and it seems to me that after the long discussion we have had the Senate should be ready for a vote.

Section 3 was agreed to.

Section 4 was agreed to.

The preamble and the title were agreed to. The Bill was reported.

TURTLEFORD BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 69, an Act respecting the construction of a line of railway forming part of the Canadian National Railways between Turtleford and a point in Township 48, range 12, west of the Third Meridian in the Province of Saskatchewan.

Hon. Sir JAMES LOUGHEED: I should like some information in reference to these two railway Bills, namely, the extent to which the Government of the Province of Saskatchewan proposes to subsidize these roads. I understand that substantial assistance is being proposed by that Government.

Hon. W. B. ROSS: Why not let those two Bills stand until to-morrow?

Hon. Mr. DANDURAND: I think perhaps we could take the second reading. Then I can get all the information my honourable friend desires.

Hon. Sir JAMES LOUGHEED: It is in the schedule, but we can discuss it to-morrow and show what the Senate accomplished last Session.

Hon. Mr. DANDURAND: My honourable friend will not forget that the subsidies were available last year.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: The Minister from Saskatchewan, and others from that Province who spoke in the Committee, said the money was in the bank.

Hon. Sir JAMES LOUGHEED: Oh, yes, but it was not proffered by the Government.

Hon. Mr. DANDURAND: Oh, I think it was. I offered it, but it was in Committee.

Hon. Sir JAMES LOUGHEED: Yes, but you had no control over the funds.

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

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BENGOUGH-WILLOWBUNCH BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 74, an Act respecting the construction of a line of railway forming part of the Canadian National Railway between Bengough and a point at or near Willowbunch in the Province of Saskatchewan.

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

TORONTO TERMINALS RAILWAY COMPANY BILL

FIRST READING

Bill 143, an Act respecting the Toronto Terminals Railway Company.—Hon. Mr. Dandurand.

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

THE SENATE

Thursday, May 28, 1925.

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

Prayers and routine proceedings.

TRADE COMMISSIONERS' OFFICES INQUIRY

Hon. Mr. BEAUBIEN inquired of the Government:

1. What is the yearly cost to the Government of each of the trade commissioners' offices of Canada? 2. How is the staff composed in each such office,

2. How is the staff composed in each such office, giving the occupation, salary, living expenses, etc., of each trade commissioner, employee, etc.?

Hon. Mr. DANDURAND:

1.	
Post Auckland, New Zealand	Yearly Cost
Auckland, New Zealand	\$12,561 38
Bristol, England	11,771 73
Brussells, Belgium	16,653 62
Buenos Aires, Argentine Republic	
Calcutta, India	20,593 04
Calcutta, India Cape Town, South Africa	22,238 92
*Dublin, Irish Free State	2,940 00
Glasgow, Scotland	14,807 65
Hamburg, Germany	15,275 64
Kingston, Jamaica	
Liverpool, England	18,597 66
London, England	26,241 63
Melbourne, Australia	22,432 81
Mexico City, Mexico	15,703 75
Milan. Italy	24,051 98
New York, New York, U.S.A	21,743 01
Paris. France	13,451 89
†Port-of-Spain, Trinidad	6,080 00
Rio de Janeiro, Brazil	13,215 14
Rotterdam, Holland	
Shanghai, China	
Singapore, Straits Settlements	16,599 91
Kobe, formerly Yokohama, Japan	
British Empire Exhibition, Wembley	
*E-tallid J December 9 1094	0 000 00

*Established December 8, 1924. 2,820 00 †Established June, 1924.

Post	Staff	Title	Salary	Living Allowance		
Auckland		Acting Trade Commissioner Stenographer		\$ <u>62</u> 50per month.		
Bristol	Miss L. M. Vaughan	Trade Commissioner Stenographer Stenographer	\$265 00 £21/11/6 3/0/0	((((
Brussells	H. Jones	Trade Commissioner Clerk Stenographer	80 00 Francs	\$100 00 per month.		
Buenos Aires		Trade Commissioner Clerk, Commercial Intelli- gence Service Clerk.	\$185 80	\$166 66 per month.		
Calcutta	H. A. Chisholm	Trade Commissioner Secretary-Stenographer	\$341 66	\$166 66 per month.		
	D. N. Biswas Singha D. Sen	File and Mail Clerk Bazaar Broker	90.00 50.00			
Cape Town	R. S. O'Meara Miss A. E. Simpson Miss E. Eliott	Trade Commissioner Asst. Trade Commissioner Stenographer Stenographer Stenographer	$\begin{array}{c} \$295 \ 00 \\ 170 \ 00 \\ \pounds23/11/9 \\ 17/6/8 \\ 16/0/0 \end{array}$	93 75 " "		
Dublin	Miss K. M. Sullivan	Acting Trade Commissioner Clerk	\$180 00 £14/16/8	\$ <u>75</u> 00 per month <u>"</u>		

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MAY 28, 1925

Post	Staff	Title	Salary	Living Allowance			
Glasgow	G. B. Johnson Miss C. J. McNichol	Trade Commissioner Stenographer	\$400_00 £21/2/6	\$100 00 per month.			
Hamburg	C. I. Rooke	Trade Commissioner Clerk	\$400 00 Reischs- marks421.	\$100 00 per month.			
		Stenographer	224.73	" "			
Kingston	F. L. Casserly	Trade Commissioner Clerk Messenger	\$265_00 £30/16/5 1/5/0	\$ 83 33 per month. — " week.			
Liverpool	H. A. Scott Miss H. A. Gabler Miss M. C. Reilly	Trade Commissioner Asst. Trade Commissioner Stenographer Stenographer London Correspondent during Fruit Season	3385 00 160 00 $\pounds 17/1/7$ 13/0/0 $\pounds 1/0/0$	75 00 "" "			
London	Harrison Watson C. G. Venus Miss E. M. H. Chap-	Trade Commissioner Principal Clerk	\$480 00 £35/15/0				
	man Miss M. E. Lester	Stenographer Stenographer Stenographer	$27/13/4 \\ 19/10/0 \\ 15/8/4$	(1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1			
Melbourne	Miss D R Cordell	Trade Commissioner Principal Clerk. Stenographer Stenographer	$\$480 \ 00 \\ \pounds 30/12/4 \\ 20/10/6 \\ 12/1/0$	\$166 66 per month. 			
Sydney	B. Millin	Commercial Agent	£9/11/8	" "			
Mexico City	C. N. Wilde Carlos Valencia	Trade Commissioner Clerk	\$280 00 Mex. 350 00	\$166 66 per month.			
Milan	J. J. Guay Miss M. E. Cernuschi. Miss O. Verzocchi	Trade Commissioner Asst. Trade Commissioner Stenographer. Office Boy	160 00 Lira 1,500.00 Lira 1 100 00	\$125 00 per month. 93 75 " " — " " — " "			
New York	F. Hudd St. John Betts Miss M. Sahulka	Trade Commissioner Clerk Stenographer Stenographer		\$166 66 per month. 			
Paris	H. Barre J. R. Deant	Trade Commissioner	\$325 00 Francs— 1,600.00	\$125 00 per month.			
and they have be	Miss M. Mathews	Stenographer	1,500.00	"			
Port-of-Spain	J. H. Francis	Trade Commissioner Clerk	\$440 00 \$90 00 B.W. I. Currency	\$ 66 66 per month.			
	C. Genteaume	Stenographer	\$35 00 B.W. I. Currency	(6 (6			
Rio de Janeiro	C. J. Hams	Trade Commissioner Clerk Messenger.		\$166 66 per month.			
			120:000	· " "			
Rotterdam	Miss D. S. Hailstone	Trade Commissioner Clerk Stenographer	Florin 225.00	\$141 66 per month. """			
Shanghai	M. L. Cosgrave Mrs. M. Hancock Miss K. Cumming	Trade Commissioner Stenographer Stenographer	\$250 00 Taels 190.00 Mexican \$75 00	\$125 00 per month. ""			
Singapore	A. B. Muddiman Mrs. K. L. Carruthers	Trade Commissioner Stenographer	\$280 00 Straits	\$166 66 per month			
		Tambi					

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SENATE

Post	Staff	Title .	Salary		Living Allowance		
Kobe, formerly Yokohama.	J. A. Langley Miss G. E. King R. Yoshimura. H. Sawa Miss H. Ota	Trade Commissioner Asst. Trade Commissioner Stenographer. Translator. Office Boy Clerk Translator	Yen Yen Yen Yen	$\begin{array}{c} 170 \ 00 \\ 200.00 \\ 75.00 \\ 30.00 \\ 70.00 \end{array}$	\$125 	00 "	er month.
British Empire Ex- hibition.	Y. Lamontagne	Asst. Trade Commissioner		\$160 00	\$ 75	00 pe	er month.

CANADIAN NATIONAL RAILWAYS DEBT

MOTION FOR RETURN

Hon. Mr. TAYLOR inquired of the Government.

1. What additions were made to the funded and and affiliated Companies during each of the years 1918 to 1924, inclusive?

2. What was the total amount required for interest on funded debt of the Canadian National Railways and affiliated Companies during each of the years 1918 to 1924, inclusive?

3. What was the operating surplus or deficit during each of the years 1918 to 1924?

Hon. Mr. DANDURAND: I would ask the honourable gentleman to kindly transform his inquiry into a motion for a return so that we may not carry this inquiry on the Order Paper from day to day. I notified the honourable gentleman that the fact that he had gone back to a year or two prior to the consolidation of the railways made it quite a difficult task to get the information for which he asks. It is this that prompts me to ask him to make this a motion for a return.

Hon. Mr. TAYLOR: Honourable gentlemen, of course I have no option but to accept the suggestion of the leader of the House. I do not think, however, that it would take an accountant more than half-an-hour at the most to get all this information. The question has now been on the Order Paper for five weeks.

Hon. Mr. DANDURAND: If the honourable gentleman has no objection to making this a motion for a return I can promise him that I will keep asking the Canadian National Railways, through the Railway Department, to hasten it.

The inquiry was agreed to as a motion for a return

APPOINTMENT OF JOSEPH McDONALD MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an Order of the Senate do issue for a return to include copies of all correspondence, documents and other writings relating to the appointment or recom-

Hon. Mr. DANDURAND.

mendation for appointment of Joseph McDonald in 1924 or 1925 as an Excise Preventive Officer in the district of Lingan or of Glace Bay in Nova Scotia and to refusal of the Department of Customs and Excise to accept him for the position.

The motion was agreed to.

SITTINGS OF THE SENATE

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, before the Orders of the Day are called I desire to state that my attention has been drawn by a certain number of my honourable colleagues to the fact that there is hardly anything on the Order Paper for to-morrow, and it has been suggested that under the circumstances the Senate might adjourn this afternoon until Tuesday evening next. It is probable that we shall make such progress today that I shall be able to move in accordance with this suggestion; but, if there is a strong sentiment against adjourning this evening until Tuesday and a desire that we should sit to-morrow, I will abide by the will of the Senate.

DIVORCE BILLS

FIRST READING

Bill S4, an Act for the relief of Cecil Hunter.-Hon. W. B. Ross.

THIRD READINGS

Bill J4, an Act for the relief of Harriet Elizabeth Couch.-Hon. Mr. Haydon.

Bill K4, an Act for the relief of Margaret Helen Strickland.-Hon. Mr. Haydon.

Bill L4, an Act for the relief of John Henry North.—Hon. W. B. Ross.

Bill M4, an Act for the relief of Walter Thomas Pratchett.—Hon. W. B. Ross.

Bill N4, an Act for the relief of Mary Jane Apedaile.-Hon. W. B. Ross.

Bill O4, an Act for the relief of Cecil Donnelly.-Hon. Mr. Schaffner.

SECOND READING

Bill P4, an Act for the relief of Samuel James Connor .-- Hon. Mr. Haydon.

INDUSTRIAL DISPUTES BILL THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 25, an Act to amend the Industrial Disputes Investigation Act, 1907.

Hon. Mr. BELCOURT: I am not going to move an amendment, but I wish to place myself on record as having very serious doubts of the constitutionality of this Bill.

Hon. W. B. ROSS: I want to say two or three words in regard to this Bill. Last year I either moved or supported a motion to insert a clause that is not in this Bill, namely, that the appointment of the third arbitrator should be made by the Chief Justice of the Province or the Chief Justice of the Supreme Court of Canada.

If I thought that this Bill had the slightest validity I would move that same amendment to-day; but the reason why I am not moving it is that I cannot regard the Bill as anything more than waste paper. In addition to that, it is so purely a legal question that it had better be determined in the courts rather than that we should vote on its constitutionality here.

It might have been a hardship to a small employer or a small labourer to be driven to attack the validity of the Act several years ago, or even one year ago; but, with the judgment of the Privy Council now to guide the courts, there should not be any difficulty in any man guarding himself from being oppressed under the Act, because he has ready access to the decision of the Privy Council to guide him. For that reason, the Bill may become law so far as I am concerned.

Hon. Mr. WILLOUGHBY: I wish to associate myself with the remarks made by the honourable member for Ottawa (Hon. Mr. Belcourt) and the honourable member for Middleton (Hon. W. B. Ross). I read the decision of the Privy Council with some care, and I am not satisfied as to the constitutionality of certain sections of the Bill.

Hon. Mr. DANDURAND: I will not lay any stress upon the points raised by my honourable friends. I expressed my view yesterday, perhaps in less strong terms; but this is the work of the Department of Justice, done with considerable care, with the judgment of the Privy Council under its eyes; so we will leave the Bill and the Act to its fate.

Hon. W. B. ROSS: Was not the original Industrial Disputes Investigation Act drafted and enacted under the care of the Department of Justice? Had not that Department to put their seal upon its constitutionality when the Act was passed?

Hon. Mr. DANDURAND: That I could not say.

Hon. Mr. BEAUBIEN: Was there not a substantial division of opinion in the lower House?

Hon. Mr. DANDURAND: No. From the reading of what took place, I understand that the Bill covered the first part of the Act, reviving it so far as it was constitutional. Two or three clauses that had been passed by both Houses, but were not in the Bill when it was introduced, were added in the Commons.

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

DAIRY PRODUCE BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 72, an Act to amend the Dairy Produce Act.

He said: Honourable gentlemen, this Bill is a very short one. It is an amendment to the Dairy Produce Act, and is proposed because it has been suggested that power should be taken to prevent the export of any very inferior dairy produce or dairy produce which has been adulterated in any way. If such butter and cheese is not graded, and no certificate is issued, it cannot be exported.

This question has agitated the people who are interested in placing our dairy products on the markets of the world in such a way as to obtain the maximum benefit from the good article that Canada produces; but if an inferior article is allowed to be exported under the name of Canada, the whole product is thereby depreciated. This matter occupied the attention of the Committee on Agriculture in the other House, and they unanimously supported such an amendment. I think this legislation is in the right direction. Grading may be refused to an article which is deemed to be unworthy of being placed on the market, Canadian or foreign.

Hon. Mr. PLANTA: Honourable gentlemen, with the object of this Bill I am in full accord, but it seems to me that the clause is a rather arbitrary one, and should be qualified. It gives power to the officer to determine, and to refuse to grade, and his action might originate from personal motives. I do not see how it would be possible to know whether the produce was inferior or not unless it was graded. For that reason, I propose to move an amendment when we reach the Committee stage. Hon. Mr. DANDURAND: If the honourable gentleman has the amendment in his mind—

Hon. Mr. PLANTA: It is the same amendment which was moved in the other place.

Hon. Mr. DANDURAND: Could not the honourable gentleman indicate it, so that when we take the Committee stage next week we shall have the benefit of the suggested amendment?

Hon. Mr. PLANTA: My amendment is that the clause be not passed as it appears in the Bill, but that the following be substituted: For refusing to grade dairy produce deemed unfit

or unsuitable for export.

That would accomplish the object which the Department has in mind, and at the same time would take from an officer, who might not be fair, the arbitrary power which this Bill gives him.

Hon. Mr. BELCOURT: But the difficulty will not be removed. If you say "deemed unfit for use" or something of that kind, that point must be decided by somebody.

Hon. Mr. PLANTA: But, according to the Bill as it stands, he need not grade at all; he can refuse absolutely and arbitrarily. Under the amendment as proposed by me he would be obliged to grade in order to find out whether or not it was inferior.

Hon. Mr. BELCOURT: But this is merely an addition of a paragraph to section 3, which provides for giving authority to the Governor General to make regulations. It is not appointing anybody, or delegating a duty to anyone in particular.

Hon. Mr. PLANTA: Exactly; but who is going to carry out those regulations? That is the point. The duty of carrying out the regulation might be in the hands of someone—

Hon. Mr. BELCOURT: It has to be in the hands of somebody.

Hon. Mr. PLANTA: I do not propose to get into an argument with my honourable friend, who is too clever for me, but I wish to press that amendment, because I believe it has merit in it.

Hon. Mr. ROBERTSON: May I inquire of the leader of the Government as to whether he knows just what inquiry has been made, or on what grounds this amendment seems necessary? I call to mind the fact that two Sessions ago, I think it was, legislation somewhat similar to this, with reference to the grading of eggs, was passed by both Houses, and I know that that legislation led to all Hon, Mr. PLANTA. sorts of difficulty and a great deal of loss to retailers and dealers, without any particular benefit to consumers.

I raise the same point now—as to the desirability of any such legislation. Is it right that the Parliament of Canada should pass legislation whose effect would be to enforce the consumption of all inferior goods in Canada, and export to the people of the world only that which is excellent? I think it is for the countries who receive these goods to place restrictions against what they do not want, rather than for us to do it here, and require our own people to consume what is left, or what, in the view of officials, is inferior and improper to ship to other people. I think the legislation itself is wrong in principle.

Hon. Mr. DANDURAND: Of course, we must always keep in mind, when an amendment is brought in, that Parliament has already legislated in this matter, and has gone into the field quite extensively. The clause which is about to be amended reads as follows: 3. (1) The Governor in Council may make regula-

(a) for the grading of dairy produce intended for export;

(b) for the establishment or designation of grading stores;

(c) for the issuing of grader's certificates;

(d) for the special marking by manufacturers of packages of dairy produce intended to be graded;

(e) for the establishment of standards, definitions and grades for dairy produce; and

(f) for the imposition of fees for the grading of dairy produce.

(2) The Governor in Council may by regulation prescribe the time when any regulation made under the provisions of this Act shall come into operation. the particular kind or kinds of dairy produce to which it shall apply, and the part or parts of Canada within which it shall be in force.

As the honourable gentleman sees, we have already covered the ground fairly. With my very limited knowledge of the science of agriculture, I dislike to bring to this Chamber any light which may be deemed insufficient by members who have had special experience and knowledge. If this Bill passes its second reading, I intend to move that it be referred to the Committee on Agriculture and Forestry, which has nine members; they are not all men coming from the farm, though some of them, like the member for De Salaberry (Hon. Mr. Béique) and the member for Ottawa (Hon. Mr. Belcourt) may be farmers. I know that one of them is such to a fairly large extent, though he does not himself farm very much.

Hon. Mr. BELCOURT: I have been.

Hon. Mr. DANDURAND: I know that my honourable friend had a farm. All the same, members of the Senate who have taken any interest in this legislation may attend and participate in the discussion in the Committee, where experts from the Department will give their views on the matter. I believe that in that way we will make considerable headway, and will know exactly where we are as to the value of the proposed amendment.

The motion was agreed to, and the Bill was read the second time, and referred to the Standing Committee on Agriculture and Forestry.

SPECIAL WAR REVENUE BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 119, an Act to amend the Special War Revenue Act, 1915.

He said: Honourable gentlemen, this Bill amends the Special War Revenue Act of 1915, which covers considerable ground. I would suggest that we take the second reading, and, although it may be that we could take the third reading at the Table because we cannot amend this Bill without reducing the revenue, which is not within our jurisdiction, or increasing the charge upon the people—I think we may take the Committee stage, in order that the Senate may have the advantage of explanations which it has a right to have on each and every clause of this Bill.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Willoughby in the Chair.

On section 1—"cheque":

Hon. Sir JAMES LOUGHEED: Would my honourable friend be good enough to tell the House in general terms the object of this Bill? It is quite lengthy and complicated, and to have it dealt with so expeditiously and so summarily as to take the second reading this afternoon and dispose of it in Committee immediately afterwards, is what is usually termed railroading a Bill through, and, as this imposes a volume of taxation upon the tax-paying public, my honourable friend might possibly comfort them by assuring them that it will not prove too onerous.

Hon. Mr. BELCOURT: Apparently it is reducing taxation.

Hon. Mr. DANDURAND: I do not know whether I had the ear of my honourable friend when I spoke on the second reading. I said that this is practically an omnibus Bill, which does not hinge upon one principle alone, but contains several, and I thought that it would be better for me to give the explanation of each clause as it is called. because each stands by itself. I hope to give an explanation to the satisfaction of my honourable friend.

Hon. Sir JAMES LOUGHEED: Does it increase the revenue to any substantial extent? Does it impose additional taxation?

Hon. Mr. DANDURAND: I have examined the Bill minutely in order first to understand it, and I find that it increases the revenue in some instances and decreases it in others.

Hon. Sir JAMES LOUGHEED: Does the one effect balance the other?

Hon. Mr. DANDURAND: I am informed that it does about balance.

Hon. Sir JAMES LOUGHEED: We might pass earlier sections, sweetening the Bill, and then find ourselves confronted by very serious obstacles in the latter part. So my honourable friend might give us an assurance as to what its general effect is.

Hon. Mr. DANDURAND: I could run through the whole Bill.

Hon. Sir JAMES LOUGHEED: Let us start at section 1, then.

Hon. Mr. DANDURAND: Yes, because otherwise I might have to repeat myself.

Hon. Sir JAMES LOUGHEED: Perhaps my honourable friend will withdraw it before we get very far.

Hon. Mr. DANDURAND: Perhaps so.

On section 1-"cheque":

Hon. Mr. DANDURAND: Honourable gentlemen who have copies of the Bill and have looked at the explanatory notes may not need further explanation, but I suppose I must give an explanation, so that I may be heard by all the members of this Chamber, even my honourable friend who is far from us, the honourable Senator from Bedford (Hon. Mr. Pope).

Subsection one of section twelve of the Special War Revenue Act, 1915, as amended by Chapter fortyseven of the Statutes of 1922, is amended by adding thereto the following as paragraph (e):

"Cheque" is slready described in the Act, but this further definition is added:

(e) "Cheque" also includes any document or writing not drawn upon or addressed to a bank, in exchange for which a bank makes payment of a sum of money.

The intention is to reach various methods which, ever since a stamp tax of 2 cents per \$50 has been imposed upon cheques, have been followed for the purpose of eluding the payment of the tax. I will mention one method.

Hon. Sir JAMES LOUGHEED: Give us an example.

Hon. Mr. DANDURAND: There would be given to the vendor a memo of delivery, stating the price of the article, but not addressed to any bank. Obviously it could not be called a cheque, and there was no stamp affixed to it, though to all intents and purposes it served in place of a cheque, and by an understanding with the client it was cashed by the bank. This further description of what a "cheque" is will cover various methods of that kind adopted in many lines of business for the purpose of avoiding the issue of an order to a bank to pay a certain amount and thus evading the stamp tax.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say whether any of the chartered banks of Canada have indulged in this evasion of the Act? Have they become parties to the series of frauds upon the revenues of the Crown?

Hon. Mr. DANDURAND: My answer to that direct query will rile no one if I say that that practice has been indulged in with the sanction of the Department of Justice, which declared that under the text of the Special War Revenue Act documents of that kind were not taxable. The declaration of the Department of Justice that they did not come under the existing law made it possible to carry on such operations.

Hon. Mr. GORDON: May I ask my honourable friend if this applies to an order which is issued within a company to its own head office, and which might be cashed at the bank, but is not, because the party having it presents it at the head office?

Hon. Mr. DANDURAND: Would the honourable gentleman repeat his question?

Hon. Mr. GORDON: I ask, would an order issued within a company to its own head office have to have a stamp upon it?

Hon. Mr. DANDURAND: Not unless it went into a bank and served for the withdrawal of funds.

Hon. Mr. GORDON: I may say that I know of instances in which such orders have been thought to be taxable and the stamps have been put on regularly.

Hon. Mr. DANDURAND: They are already taxed?

Hon. Mr. GORDON: I know that stamps have been affixed to such orders, and I want to know whether that is necessary or not.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: It will certainly be necessary under this amendment, and according to the spirit of the Act it was necessary whenever such an order entered a bank.

Hon. Mr. GORDON: The document that I refer to would not necessarily go to a bank at all; it would go to the head office of the company.

Hon. Mr. DANDURAND: If it does not go to a bank it will not need a stamp.

Section 1 was agreed to.

On section 2—Stamp Tax on bills payable on demand, etc., or drawn on person outside of Canada:

Hon. Mr. DANDURAND: Honourable gentlemen will notice the words that are new, as they are underlined.

If a bill of exchange transferred or delivered to a bank or issued by a bank is payable on demand or at sight—

These are the new words-

--or if a bill of exchange transferred or delivered to a bank or issued by a bank is drawn upon a person outside of Canada according to the tenor of the bill--

and the clause continues-

-such bill shall-

for the purpose of the value of the stamp to be affixed thereto or impressed thereon, be deemed to be drawn for an amount not exceeding twenty-five hundred dollars.

The prupose of the amendment is to make the maximum stamp tax on foreign bills one dollar. The tax on such bills, imposed by section 3 (a), is not limited to any maximum. There being no maximum fixed for foreign bills of exchange, the unlimited tax tended to cause a transfer of deposits or moneys outside of Canada if business had to be done outside of this country-say, in the United States-and large sums were to be transferred. The amount payable in stamps on \$100,000 would be \$40. Parties dealing in such large sums would naturally try to save the \$40 as often as possible by opening an account in a foreign country. The consequence was that in the case of large operations Canada lost not only the ordinary tax, but also the deposit, which was made in the foreign country to meet obligations arising there. Thus the banks and the public in Canada were deprived of the advantage of having those sums remain in this country. The object of the proposed amendment is to limit the payment of the tax on such bills of exchange to an amount not exceeding what is payable on \$2,500.

Hon. Sir EDWARD KEMP: Can the honourable gentleman tell us what is the total amount received annually through the stamp tax on cheques?

Hon. Mr. DANDURAND: The revenue from stamps, including cheques embossed, for 1924 was \$8,771,285.15, and for 1925 was \$9,-324,455.36.

Hon. Mr. GORDON: I presume that includes stamps on notes.

Hon. Mr. DANDURAND: No. It does on receipts.

Hon. Mr. GORDON: While I am on my feet, I would like to say a word regarding the tax which is imposed upon notes. Under the Act as it now stands the maximum stamp placed on any cheque is \$2.

Hon. Mr. DANDURAND: It is \$1 on cheques.

Hon. Mr. GORDON: The maximum, then, is \$1. On notes, as I understand, the stamp tax is 4 cents for every \$100.

Hon. Mr. DANDURAND: And unlimited.

Hon. Mr. GORDON: Is there any reason for this? A borrower, on \$10,000, would have to pay \$4; on \$100,000 he would have to pay \$40, and on a million the amount payable in stamps would be \$400. But the man who lends the money is required to pay a maximum of only \$1, even to a million-dollar cheque. I would like to ascertain if there is any reason at all for this difference.

Hon. Mr. DANDURAND: I would say, offhand, that the division which my honourable friend makes is not absolutely a true one.

Hon. Mr. GORDON: Why not?

Hon. Mr. DANDURAND: The lender likely has to bear a part of the load of the borrower. It is true that the person giving a note may pay \$400, whereas the man who issues his cheque for a million dollars has to pay a tax of only \$1, but it is question who really carries the heavier part of the load. This is an economic proposition which I am not ready to discuss.

Hon. Sir JAMES LOUGHEED: Is my honourable friend aware of any cases in which the maker of a note is able to dictate to the beneficiary who shall pay the stamp tax? It seems to me that this tax is imposed in inverse ratio of the ability to pay. That is to say, the man who can issue his cheque without any difficulty is required to pay the least tax, namely, \$1, and the sky-line is the limit of the cheque, but when some poor unfortunate is squeezed and has to give a promissory note he has to pay 4 cents on every \$100. That means that in addition to the pound of flesh which he must deliver to the creditor he has to pay a tax on the pound of flesh.

Hon. J. H. ROSS: It is all wrong.

Hon. Mr. DANDURAND: My honourable friend (Hon. Sir James Lougheed) asks if there are any cases in which the borrower may have part of these charges absorbed by the lender. Of course I was dealing in large sums, because the honourable gentlemen from Nipissing (Hon. Mr. Gordon) had spoken of a million.

Hon. Sir JAMES LOUGHEED: That only intensifies the difficulty.

Hon. Mr. DANDURAND: The person who borrows a million will not mind paying a few dollars more when he issues his debentures or issues his note, with his collaterals.

I have asked the Department for an explanation of the reason why the demand and call loans or notes pay more than the cheques. This is a question of policy which would have to be discussed on a higher plane. I confess that I have been myself at a loss to understand the real cause for that division in taxation. Is it because-and probably this would be a good reason, a determining factor -the cheque is a document that figures in the daily affairs of the people, and whereas thousands of cheques are issued, only very few promissory notes are signed, and for that reason the cheque must be treated less severely? I cannot say. I confess I have not yet been able to learn a reason that satisfies me.

Hon. Sir JAMES LOUGHEED: Better let this clause stand.

Hon. Mr. GORDON: No person can give a better reason, at times, than my honourable friend, but I must assure him that he has not given any reason at all why this distinction should be continued. Every year since the Act came into force I have asked the same question. It is absolutely ridiculous to suppose that the borrower is in a better position to pay a tax than the lender. My honourable friend intimates that there are not very many notes given, but I am sorry to have to tell him that in this country, especially in these times, there are thousands of notes given every day.

Hon. Sir JAMES LOUGHEED: Oh, they are a very popular institution.

Hon. Mr. DANDURAND: I have just found out who is the guilty party.

Hon. Mr. GORDON: Who is he?

Hon. Mr. DANDURAND: John Bull.

Hon. W. B. ROSS: Suppose a cheque is dated three months ahead of time. You can make it serve in the place of a promissory note. What do you do in that case? Is there any special provision dealing with such a cheque?

Hon. Mr. DANDURAND: I did not catch my honourable friend's point.

Hon. Mr. ROSS: Suppose that a man lends me money and I give him a cheque on my bank dated the 1st of next October, and that on the 1st of October he presents it.

Hon. Mr. DANDURAND: When it is presented it will need to have a stamp on it.

Hon. Mr. ROSS: Yes, I know, but the tax would be at the rate of the tax on cheques, although it had served in place of a promissory note. It would escape the larger tax on notes.

Hon. Mr. DANDURAND: Of course it would be a cheque.

Hon. Mr. GORDON: Is that the reason, because one is called a cheque and the other is called a note?

Hon. Mr. DANDURAND: No. I have been trying to ascertain the reason, in order to give it to my honourable friend.

Hon. Mr. GORDON: Yes, I know.

Hon. Mr. DANDURAND: And the only good reason that I have been able to learn so far is that for over a hundred years, in stamp tax policy, that distinction has prevailed in Great Britain. That does not satisfy me as to the wisdom of it, but it has the respectability of age.

Hon. Sir JAMES LOUGHEED: I can tell my honourable friend that the whole tendency of taxation is to place the burden upon those who are least able to bear it, and this is simply following it out.

Hon. W. B. ROSS: Is it not the fact that the difference between cheques and notes is that money moves more rapidly and very much oftener by cheque than by note?

Hon. Mr. DANDURAND: As I stated, cheques are used daily and everybody pays by cheque, so that there are thousands of cheques where there are but few notes.

Hon. Mr. GORDON: My honourable friend will perhaps realize the situation better if Hon. Sir JAMES LOUGHEED. I give him an instance. A man goes to the bank and discounts a note for \$10,000. On that note he has to place \$4 in stamps. But that is not the only way in which he pays: he discounts that note and afterwards issues cheques against it, and pays again the ordinary tax that is payable on cheques. I venture to say that no reason can be given why the borrower should be taxed more than the lender. We must assume that the lender is richer than the borrower; but you are taxing the borrower many times more than the lender. I would respectfully ask the leader of the House to bring this matter to the attention of the Government before this Bill goes through, to see if it cannot be amended so that notes will be put on a parity with cheques with regard to taxation.

Hon. Mr. DANDURAND: I cannot hold out any hope to my honourable friend of such a decision being arrived at this Session. I will ask the Department to see if it has not among its many employees some expert philosopher who could study the whole situation—

Hon. Mr. BELCOURT: Necessity knows no law.

Hon. Mr. DANDURAND: —and find out why this procedure has availed in Great Britain.

Hon. Sir JAMES LOUGHEED: His answer might depend on whether he is more accustomed to giving notes than cheques.

Hon. Mr. DANIEL: Is it not the old principle, that the consumer has to pay? The man borrowing the money is in the position of the consumer. Every tax that is put on anything, or every increase in the value of labour or material comes out of the consumer rather than the merchant who sells the goods. It appears to me, without being a financial man like my honourable friend to my right (Hon. Mr. Gordon), that it is the consumer who has to pay everything.

Hon. Mr. POIRIER: In this case the matter is somewhat equalized by the fact that the lender has to pay an income tax, and income tax on \$1,000,000 surely offsets the \$400 that the borrower has to pay.

Hon. Mr. GORDON: May I point out to my honourable friend that most men who have money available to such an extent usually have it in tax-exempt bonds. There is nothing in that.

I would like to remind the leader of the Government that I have brought this matter up every year for the last three or four years; but evidently it has received no consideration at all. A small concession is now made—if you do not mind me saying a word about it before we come to that clause—in exempting cheques of \$5 and under from taxation. In my opinion that is starting the wrong way. I think there is no way in which revenue can be more easily collected than by a small stamp tax, but it should be done in an equitable way, and I think that, instead of doing away with the tax on cheques of \$5 and under, more could be accomplished by placing the borrower on a par with the lender.

Hon. Sir EDWARD KEMP: My honourable friend attempted to justify the position of the Government in charging a heavier tax on notes than on cheques by what had been done in England for two or three centuries. I would draw my honourable friend's attention to the fact that in England the stamp tax is four cents, twopence, regardless of whether the cheque is for a few shillings or for a million pounds. That simplifies the whole situation.

Someone said a moment ago that necessity caused the Government to do certain things. I may say that this kind of taxation-two cents on a cheque of \$50, four cents on a cheque of \$51, and six cents on a cheque of \$101-is one of the most complicated and annoving kinds of taxation that we have, and there is no precedent for it in England or anywhere else that I know of. I hope the Government will find some way out of this kind of taxation, which in some parts of the country is regarded as nuisance taxation. If you had a small tax equal to that in Great Britain. and it applied to all amounts, the situation would not be so unsatisfactory; but people who do not rely on clerks and offices to do their work for them forget the right amount to put on, and the bank complains of having to charge up two cents, four cents, six cents, and so on. At the time the tax was adopted I thought it unwise, and I hope the Government will take the earliest opportunity of getting rid of it.

I understand that overdrafts in banks pay a higher tax than cheques. Is that so? If a man is unfortunate enough to overdraw his account in the bank, how much is he charged for it?

Hon. Mr. DANDURAND: Four cents per hundred. It is the same principle, but it is unlimited. The tax on cheques is limited to one dollar.

Hon. W. B. ROSS: There is another matter that I would like to call attention to. When this stamp tax was first imposed, one was allowed to pay it with either revenue stamps or postage stamps. Just prior to 1878 there

was a stamp tax which, before it was abolished. was changed to allow a man to use either postage stamps or revenue stamps. I remember very well at the time hearing a great many express the opinion that that was a great convenience to the public. When the present tax was put into effect during the war it was provided that one could use either postage stamps or revenue stamps, and I remember saying to Sir Thomas White that I thought that was a good provision in view of the experience that I had had of the old Act. I can see only one reason why the law has been changed to require revenue stamps to be used instead of postage stamps: I suppose it is in order to find out exactly what is being got from it. But now that that is known pretty well, why not change it? It would be a great convenience to the public. In the last three months there have been times when I could not get revenue stamps. Some of the drug stores and book stores keep postage stamps, but they do not keep revenue stamps, and there are times when they are very hard to get, and a regular nuisance. I would like the honourable gentleman to take the Cabinet under his careful guidance some day, and try to induce them to go back to the system we had a few years ago under which a man could use either postage stamps or revenue stamps.

Hon. Mr. DANDURAND: I may inform the honourable gentleman that from the very beginning I have been of the opinion that the use of a stamp other than an ordinary postage stamp would be of very great inconvenience to the public. The argument of the Minister of Customs was that we would not know what the tax brought in. But there was also another argument which had to be taken into consideration. The Post Office is an immense Department that tends to increase constantly; in that Department expenditure can be added to by a change in the scale of postage, in transportation, in deliveries of all kinds, and it is most important that such a Department, which is capable of such formidable development in expenditure, should know what it produces.

Hon. W. B. ROSS: But do you not know enough now from your experience and your receipts under the Revenue Stamp Tax to be able to keep the Post Office where it belongs?

Hon. Mr. DANDURAND: There is a modus operandi which I think would satisfy my honourable friend. It would be to convince the Postmaster General that every post office should have excise stamps as well as postage stamps at the disposal of the public.

Hon. W. B. ROSS: That would help a great deal.

Hon. Mr. BELCOURT: In dealing with the question of taxation generally, it seems to me of considerable importance that the revenue derived should be traced to its source. We are going to be paying taxes on a large scale for a long time, and only experience and time will show where the taxation can best be borne, that is, if it can continue to be borne better in one place than in another. I do not see how a policy can be applied to the necessities of the case from time to time unless a close scrutiny is kept of the sources of the revenue and of the amount derived from each different source. I think that to-day revenue is being derived from sources that can ill afford to be taxed, while there are other sources from which more should be got. It seems to me that these different sources of revenue should be scrutinized and analyzed from time to time, not only as between the Department of Customs and Excise on the one hand and the Post Office on the other, but in the other Departments themselves, so that the policy of the Government may be based upon the requirements or possibilities of revenue.

Hon. W. B. ROSS: I would like to ask the honourable gentleman another question: is a postmaster paid a percentage on the amount of stamps that he sells—not only postage stamps, but revenue stamps?

Hon. Mr. DANDURAND: In certain cases he is. There are two or three classes of post offices. There is one class in which the postmaster makes a little commission on the sale of stamps. At present he does not sell excise stamps. The Postmaster General was afraid at the outset that the excise stamp would be put on letters, and that confusion would ensue; but, after the general use of the excise stamp, probably he could be reconciled to the idea of offering that facility to the people at large.

Hon. W. B. ROSS: If you go back far enough in the seventies and eighties, I think you will find that not only were postmasters allowed a commission on the sale of stamps, but that druggists and booksellers could buy say \$100 worth of stamps and get something like 2½ per cent commission on them.

Hon Mr. DANDURAND: There is a commission on excise stamps, although I cannot say whether it is paid to the banks that sell them. Banks must have them, and drug stores and book stores can have them, and they are allowed a small commission.

Hon. Mr. BELCOURT: What is the estimated loss in revenue by reason of doing away with stamps on cheques up to \$5?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: The Department has at this moment no estimate; it would be a guess. I think the banks might perhaps give a fair estimate of the loss.

Hon. Mr. BELCOURT: What is the guess?

Hon. Mr. DANDURAND: My honourable friend will have to wait until next Session to get that information.

Hon. Mr. GORDON: I would be very sorry to see the Government take a step backward in permitting the use of postage stamps. We are always talking about the unbusinesslike methods of the Government, but here they have adopted business methods, and why change them? I think it would be absurd. It is better as it is.

In regard to the so-called nuisance tax, I assume that term refers to small cheques, but I am very much in favour of that tax, for I think the tax method is the simplest and easiest for raising revenue, and I am sorry that even this small concession has been made in regard to small cheques.

Section 2 was agreed to.

On section 3, new subsection 14 of section 12 of Act—Stamp Tax on cheque defined in subsection 1 (e):

Hon. Mr. DANDURAND: This clause is consquential upon the enlargement of the term "cheque":

No person shall present to a bank for payment a cheque as defined in paragraph (e), etc.

Inasmuch as there is an enlargement of the definition of "cheque," it must be covered by the requirement of a stamp on it.

Hon. W. B. ROSS: But a man presents his cheque, and then the bank stamps it for him.

Hon. Mr. DANDURAND: This is not a cheque; it is the equivalent of a cheque.

Hon. W. B. ROSS: The ordinary man gets into trouble because he presents a cheque unstamped, and does not know any better.

Hon. Sir JAMES LOUGHEED: Why do you not provide that it shall bear the same stampage as a cheque?

Hon. Mr. DANDURAND: It is the same thing.

Hon. Sir JAMES LOUGHEED: But the following paragraphs, i, ii, iii, seem to me to be entirely unnecessary.

Hon. Mr. DANDURAND: The Law Clerk has simply added those in order to make it plain and comprehensive. Hon. Sir JAMES LOUGHEED: It seems to me it is bad drafting.

Hon. W. B. ROSS: I think the ordinary way to express that would be to say that a bank must not cash a cheque unless the stamp was first put on.

Hon. Mr. DANDURAND: My honourable friend will find in section 17 the reverse proposition.

Section 3, new subsection 14, was agreed to.

On section 3, new subsection 15 of section 12 of Act—Stamp Tax on foreign bill:

Hon. Mr. DANDURAND: The intention is to make taxable the selling of foreign exchange by the issue of bills by any person; this means any corporation.

Hon. Sir JAMES LOUGHEED: Or individual?

Hon. Mr. DANDURAND: Yes.

Hon. Sir EDWARD KEMP: How can the Government fine anyone who fails to put a stamp on such a bill if it goes to London, Paris or elsewhere to be cashed?

Hon. Mr. DANDURAND: It must get into the hands of another party if it is sold, and that party is bound to be assured that he has a legal instrument in hand.

Hon. Sir EDWARD KEMP: I think it is inconsistent in this way. If my honourable friend has an account in Paris, and he issues a cheque on his bank there, and fails to put a stamp on it—

Hon. Mr. DANDURAND: That case is not covered by this clause: It is only the case of a sale to a third party.

Section 3, new subsection 15 of section 12 of Act was agreed to.

On section 3, new subsection 16 of section 12 of Act—Stamp Tax on cheque defined in subsection 1e.

Hon. Sir JAMES LOUGHEED: It seems to me very unwise to penalize an act of this kind where there may have been no deliberate omission. Business men hand a cheque to a bank, and it may not be convenient to stamp it, but the bank may affix the stamp and charge it up to the maker of the cheque. Why should the drawer be penalized, when he may not have a stamp convenient?

Hon. Mr. BELCOURT: Or may forget it.

Hon. Sir JAMES LOUGHEED: Yes. It is only a small percentage of the public who are familiar with this law.

Hon. Mr. DANDURAND: The Act which we are amending contains the same clause, and it has been in effect for some years, so that we must have a general Act with a general proscription and penalty; but it is not utilized unless there is an attempt at fraud, with clear evidence of guilty knowledge. I know of no suit that has been brought so far; so that we need not complain of any person being penalized for an insignificant oversight. We all know that stamps fall by the wayside for lack of adhesiveness, and we do not hear of any suit; yet if the authorities detect a deliberate attempt at evasion the penalty is here provided.

Hon. Sir JAMES LOUGHEED: Why not make the punishment fit the crime? Instead of imposing a penalty of \$50, and in the following subsection \$100, a very much smaller penalty would meet the requirements of the case, and thus not bear heavily on an innocent maker.

Hon. W. B. ROSS: I do not think there should be any penalty at all upon the man who sends the cheque. You put a penalty on the bank for cashing the cheque that has no stamp; why not leave it at that? Unless you find a man practising a fraud, you do not interfere with him. I do not see any earthly use in the penalty unless it applies to the bank charged with the duty of collecting.

Hon. Mr. BLACK: I do not agree with the last two speakers on this point. I think the penalty saves the ordinary business man from a great deal of difficulty. If the bank were penalized we would find that the ordinary issuers of cheques throughout the country would send them through without stamps, and the business men who received the cheques would be penalized. The penalty should be on the issuer of the cheque, if there is a penalty at all. Any other arrangement would result in a miscarriage of justice, and defeat the whole object of the Bill.

Hon. W. B. ROSS: I do not agree at all with that. If I give a cheque for \$50 and put no stamp on, and the bank cashes that cheque, it charges me with \$50.02.

Hon. Sir JAMES LOUGHEED: I would point out to my honourable friend from Westmoreland (Hon. Mr. Black) that it is not the maker of the cheque on whom the onus falls: it is on the man who presents the cheque. Hon. Mr. BLACK: But the cheque may go into six or eight hands before it reaches the bank, and the cheque may require stamps amounting to a dollar, and the man who finally presents that cheque to the bank is the man that loses the dollar.

Hon. Sir JAMES LOUGHEED: He is the man who should pay.

Hon. Mr. BLACK: No; the man who issues the cheque is the one who should pay.

Hon. Mr. DANDURAND: My impression is that the general penalty clause serves as a notification to the public that they should do a certain thing. When a bank receives a cheque with the stamp missing, it may put the stamp on and charge the amount, or it may not; but if it notices that cheques are continually coming without stamps, it will notify the party depositing them that there is a law and a penalty.

Hon. Mr. BELCOURT: This law will be administered in very many cases by country magistrates, of whom it was said the other day that 90 per cent in one of the banner provinces of Canada, were absolutely innocent of any knowledge of law. These sections render liable to a penalty anybody who does a certain act, whatever his intention may be. He may do it in absolute innocence, or from neglect or inadvertence, or he may not lick the stamp sufficiently.

Hon. Sir JAMES LOUGHEED: The Government may put an inferior class of gum on the stamps.

Hon. Mr. BELCOURT: Yes, all sorts of such things may render one liable to this penalty, and the matter may come before one of those ignorant justices of the peace that we heard of, and he may simply look at the fact, not considering that there may have been no intention whatever to evade the law, and may promptly impose a penalty of \$50: he has no discretion as to the amount.

Hon. Mr. DANDURAND: Oh, yes; it is up to \$50.

Hon. Mr. BELCOURT: Well, there is such a danger of injustice in this provision that I do not like it.

Hon. Mr. BLACK: Would the honourable gentleman provide any other penalty?

Hon. Mr. BELCOURT: The Criminal Code provides a penalty for any proved intention to disobey the law.

Hon. Mr. BLACK: In the whole country not a single case of injustice has been done in the working out of this Act. The bank invariably puts a stamp on.

Hon. Mr. DANDURAND.

Hon. Mr. BELCOURT: I do not know of cases of the kind I suggested having happened; but the door is left open for magistrates in the country to exercise petty jealousies, which are often found in villages, and they have a large field for doing injustice. I think the Department ought to consider whether they could not accomplish the same purpose without such drastic legislation.

Hon. Mr. DANDURAND: I think I can satisfy all the members of this Chamber that there is very little danger of harm, by drawing attention to the fact that it is only the Department of Customs that can sue for recovery of the value of the stamp that has not been put on a document: it is section 20 of the Act itself.

Hon. Sir JAMES LOUGHEED: Will they administer in the same beneficent and generous manner the smuggling penalties which we are about to deal with, particularly against ladies bringing in silk stockings, and that kind of thing?

Hon. Mr. DANDURAND: Of course, the loss on silk stockings may be greater than it would be on the two-cent stamp on a \$50 cheque. Honourable gentlemen must remember that this is a tax, and that if one fails to pay the tax he can only be sued by the party aggrieved, who is His Majesty.

Hon. W. B. ROSS: I would ask if the case is not completely covered when the bank is held liable for the collection of the stamp? The Government would get the money, and that is what it is after.

Hon. Mr. DANDURAND: I think the question as to who should be held responsible was debated at length.

Hon. W. B. ROSS: You hold both parties?

Hon. Mr. DANDURAND: Yes, and it has been decided that it was well that the obligation was put upon someone to affix the stamp, and upon the bank, when the document was presented, to see that the stamp was there. That obligation being on both, there should be a penalty on both.

Hon. Mr. GORDON: I was under the impression that the intention of the Act was to obligate the maker of the cheque to affix the stamp to it, but it would appear from subsection 16 of the Bill that that is not so.

Hon. Mr. BELCOURT: It is the duty of anyone and every one who has anything to do with the cheque.

Hon. Mr. GORDON: But should it not be the maker?

Hon. Mr. BELCOURT: If the maker is the holder of the cheque it is his duty.

Hon. Mr. DANDURAND: My honourable friend must not forget that subsection 16 refers to the new definition of "cheque" under paragraph e of section 1, which declares that the word "cheque" also includes any document or writing not drawn upon or addressed to a bank. This subsection 16 refers to such a document.

Hon. W. B. ROSS: That makes my objection all the stronger. The banks know the law, because they are trading every hour of the day on the law, whereas the man on the street has perhaps never read this Act.

Hon. Mr. DANDURAND: My honourable friend knows that the Act has been on the Statute Book since 1915.

Hon. W. B. ROSS: But this is new; it is the new part I am speaking of.

Hon. Mr. DANDURAND: The Act itself says:

No person shall issue a cheque payable at or by a bank or drawn upon or addressed to a bank and requiring or directing payment of a sum of money, unless there is affixed thereto an adhesive stamp....

Hon. W. B. ROSS: I know, but this is new document, some kind of invention of the devil in late years.

Hon. Mr. DANDURAND: Since we are creating a new form of cheque, we apply the same principle.

Hon. Mr. BELCOURT: I question the necessity for having these clauses again if they are all in the Act.

Hon. Mr. DANDURAND: The reason is that we have enlarged the definition of the word "cheque."

Hon. Mr. BELCOURT: Why not simply provide that the penalties already existing in the Act shall apply? It seems to me it did not require a whole page to do that.

New subsection 16 of section 12 of Act was agreed to.

New subsections 17 and 18 of section 12 of Act was agreed to.

On new subsection 19 of section 12 of Act— Stamp tax on statement of maximum amount of advances.

Hon. Mr. DANDURAND: The object of this clause is that advances, of the sort described, made by any person, shall be taxable. This is to cover the case of certain corporations doing banking business.

Hon. Mr. BELCOURT: What is the necessity for that?

Hon. Mr. DANDURAND: Because they are doing banking business and they should do it under the same conditions and with the same obligations as the banks.

Hon. W. B. ROSS: I do not know about that paragraph (a) of subsection 19. That is a pretty serious clause. Is it entirely new?

Hon. Mr. DANDURAND: "This section," says the explanatory note, which my honourable friend has, "this section is in practically the same language as paragraphs (c) and (d) of subsection 3 of section 12. Its object is to make taxable advances, of the sort described, by any person."

Hon. W. B. ROSS: It is to get at trust companies, I suppose.

Hon. Mr. DANDURAND: Just that-my honourable friend has it-and similar institutions.

Hon. Mr. TODD: I would like to ask the honourable leader of the Government a question with regard to that. I understand there is no stamp tax on a note unless it goes through a bank. That is correct, is it not?

Hon. Mr. DANDURAND: It is.

Hon. Mr. TODD: If a note is secured by collateral and does not go through a bank, why should it be taxable?

Hon. Mr. DANDURAND: What is the question, again?

Hon. Mr. TODD: According to this section, if the same note is secured by collateral it requires stamps. I do not see the logic of that.

Hon. Mr. DANDURAND: It is simply applying to that note the same treatment as if it went to the bank.

Hon. Mr. TODD: But, as I understand, if the note does not go to a bank it requires no stamps.

Hon. Mr. McLEAN: Does it not require stamps before you can collect it—if you have to sue on it, for instance?

Hon. Mr. TODD: Yes, if you have to sue.

Hon. Mr. DANDURAND: This applies to trust companies doing a banking business.

Hon. Mr. TODD: I have taken the case of an individual. I do not see why a note, if not discounted at the bank, requires no stamps, whereas the same note, if there is a collateral given, does require stamps.

Hon. Mr. DANDURAND: I am informed that large companies, such as insurance companies and trust corporations, are doing that kind of business, and the intention is that they shall pay the same tax as a banking institution would on a similar transaction.

Hon. Mr. TODD: Why are not those companies made to pay a tax if they make a loan without collateral?

Hon. Mr. DANDURAND: The suggestion of my honourable friend seems to be an equitable one, but to do that would enlarge the taxation area formidably.

Hon. Mr. GORDON: I would like to understand this matter a little further. My honourable friend has stated that a note given, but not payable at a bank, does not require stamps affixed. I have always been under the impression that it did.

Hon. Mr. BRADBURY: You could not sue on it without a stamp.

Hon. Mr. GORDON: But under the Act, I think, it is taxable.

Hon. Mr. DANDURAND: My honourable friend's question does not bear on this clause.

Hon. Mr. GORDON: If my honourable friend wants to stick closely to the clause, I shall leave my question till another time, but I would like to be placed right on this. I would like to have an answer from the honourable gentleman or from the departmental official. Is a note which is given, but is not payable at a bank, taxable?

Hon. Mr DANDURAND: I would say no.

Hon. Mr. GORDON: That is the question I wanted answered.

Hon. Mr. BELCOURT: You could not recover in court on a note without a stamp.

Hon. Sir JAMES LOUGHEED: This is our only opportunity to learn what our obligations are.

Hon. Mr. GORDON: I know that notes are passing continually which never reach a bank, and stamps are being affixed to them.

Hon. W. B. ROSS: That is lost money.

Hon. Mr. GORDON: According to what we are told now, that is lost money.

Hon. Mr. DANDURAND: Not lost. There is no legal limit.

Hon. W. B. ROSS: It depends on the point of view, I suppose.

Hon. Mr. GORDON: But is it legal or is it not legal?

Hon. Mr. DANDURAND: I am informed that my answer must be in the negative.

Hon. Mr. DANDURAND.

Hon. Mr. GORDON: The honourable gentleman says no.

Hon. Sir JAMES LOUGHEED: You are getting important legal advice very cheaply.

Hon. Mr. GORDON: I want to be right on this. Then suppose a note is made payable at a bank, and is never taken to the bank, but is collected from the person who gave it. Is that note taxable?

Hon. Mr. DANDURAND: I can only read to my honourable friend section 19 of the present Bill:

Any person, not being a bank within the meaning of this section, making an advance upon the pledge or transfer of debentures, bonds, stocks or other securities, to secure the repayment thereof, shall quarterly, on the last day of March, the last day of June, the last day of September and the last day of December in each year, or within five days thereafter, prepare a statement showing the maximum amount of the advances so made, outstanding at the close of business on any day during the period of three months or portion of such period, then ending, and shall affix to the statement at the time it is prepared a stamp or stamps of the value of two cents for every fifty dollars and fraction of fifty dollars in the maximum amount of the advances as aforesaid, and the person making the advance shall forthwith render such statement to the person to whom the advances were made and the amount of the stamps so affixed shall forthwith be payable by the borrower to the lender.

That is the clause which is before us.

Hon. Sir JAMES LOUGHEED: But that has nothing to do with notes.

Hon. Mr. GORDON: That does not apply at all to the question I asked.

Hon. Mr. DANDURAND: My honourable friend asked about notes. The purpose of this clause is to put corporations and societies on the same footing as banks.

Hon. Mr. GORDON: Perhaps I was digressing a little. My honourable friend may understand me better if I put the question this way. Suppose I borrow a sum of money from a friend and give him my personal note Do I have to affix a stamp?

Hon. Mr. DANDURAND: Not if the note does not pass through the bank or if collateral security is not given.

Hon. Mr. BRADBURY: If he does not affix a stamp, and the note is not paid, and he wants to sue that note how is he going to sue.

Hon. J. H. ROSS: Put a stamp on then, of course.

Hon. Mr. DANDURAND: If a person has lent money on a note to a private individual, the lender can sue on the note; he does not need to have a stamp on the note. Hon. Sir JAMES LOUGHEED: Then, lending money on a note, he might come under subsection 19, paragraph (a).

Hon. W. B. ROSS: Yes, if he has collateral.

Hon. Mr. DANDURAND: That is, on debentures?

Hon. Sir JAMES LOUGHEED: No. "Debentures, bonds, stocks or other securities." It might be regarded as a security.

New subsection 19 of section 12 of Act was agreed to.

New subsection 20 of section 12 of Act was agreed to.

On new subsection 21 of section 12 of Act— Bill or note as collateral security:

Hon. Mr. BELCOURT: That may solve the problem. Of course if you put the stamp on the collateral you are not obliged to put it on the note, but if you do not put it on the collateral you must put it on the note.

Hon. Mr. DANDURAND: You must utilize the note to sue upon. Then you must put a stamp on it.

Hon. Mr. BELCOURT: That is what we have been saying all along.

Hon. Mr. DANDURAND: Prior to this clause there was a double taxation of the same transaction, and the intention is to obviate that heavy charge by imposing simply one tax.

New subsection 21 of section 12 of Act was agreed to.

On new subsection 22 of section 12 of Act \rightarrow Transfer of customer's account to another bank:

Hon. Mr. BELCOURT: May I ask what provision there is with regard to the transfer of an amount from one account to another belonging to the same depositor in the same bank?

Hon. Mr. DANDURAND: A transfer could be made without taxation from one branch to another of the same bank. Now, by this proposed clause, a transfer may be made from one bank to another.

New subsection 22 of section 12 of Act was agreed to.

On section 4 new subsection 2 of section 13 of Act—Stamp tax on all money orders and travellers' cheques:

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: The words underlined are new and extend the tax on money orders or travellers' cheques to such documents issued by a bank or any person. Such documents are now taxable only when issued by an express company.

New subsection 2 of section 13 of Act was agreed to.

New subsections 10 and 11 of section 13 of Act were agreed to.

Section 5 was agreed to.

On section 6—Minister may permit stamp to be affixed to receipt:

Hon. Mr. DANDURAND: That reduces the penalty from \$50 to \$10 for the first offence. It gives a discretion to the Minister.

Hon. Mr. TANNER: What does the honourable leader of the House know about the enforcement of this tax on receipts? For my part I think that, while the tax on cheques is very properly regarded as a nuisance, this tax on receipts is outrageous. For one reason, I do not believe 50 per cent of the people who should pay it actually do so. Is the Department in possession of any information as to the number of people who ought to pay this tax and the comparative number who are paying it? In my personal observation I see, time and again, persons delivering receipts without ever thinking of putting stamps on them. I am told that this stamp tax is very generally disregarded.

Hon. Mr. DANDURAND: I am informed that the Department of Finance, after having dealt with various other matters concerning taxation, is now attending to that part of its duties and teaching the public how to proceed in meeting this obligation. I may say that if the Department does investigate the matter thoroughly it will find, as my honourable friend has stated, that the rule is more honoured in the breach than in the observance. Every day I receive back accounts which I have paid and to which is attached a little printed form stating, "Our endorsement on your cheque will take the place of a receipt." I observe all about me such forms of receipt in use. Part of the account is detached and returned to the remitter, who is told that a receipt is not necessary. All sorts of methods are adopted, especially by large corporations or firms, to whom the 2-cent stamp means a great deal in the aggregate. If the Department will simply investigate the various means used to evade the tax and will apply the Act a little more strictly, it will reap a considerable benefit.

Hon. Sir EDWARD KEMP: Do I understand my honourable friend to say if a man pays an account with a cheque that is stamped according to law, he should also pay for the stamps on the receipt?

Hon. Mr. DANDURAND: No. It is the creditor receiving payment of an amount above \$10 who must put a stamp on the receipt. But, as he endorses the cheque, which goes back to the sender, he informs the sender that it is not necessary to give a receipt.

Hon. Sir EDWARD KEMP: That is right and proper. It is not an evasion of the law.

Hon. Mr. DANDURAND: The intention of the law was that a receipt for a payment of \$10 or upwards, in order to be valid, should have a stamp affixed to it.

Hon. Sir EDWARD KEMP: Not if it is paid by cheque, surely.

Hon. Mr. TANNER: My honourable friend says the Department is going to put the screws on the people who are evading the law. How is it going to do it? I understand that by this amendment the screws are being loosened, and that the Department, instead of enforcing the law, is going to say to a man who neglects it, "We are going to let you off."

Hon. Mr. DANDURAND: For the first offence.

Hon. Mr. TANNER: I know, for the first offence. The reason is that it is costing a good deal of money to enforce the law. That is the excuse. The business of the Government is to enforce the law whether it costs a lot or not; but the Department is taking the line of least resistance. I know perfectly well, as my honourable friend has stated, that large business concerns evade this law. But why are they evading it? Because the Department is not enforcing the law. Cases have come under my own personal observation, right here in the city of Ottawa, of large business houses handling out what I would call receipt, and what I am sure my honourable friend would call a receipt, without affixing a stamp to it. For instance, I go into one of the large stores and buy \$30 or \$40 worth of goods-as happened in the case I have under my hand-and I go to the cashier and pay him, and he hands out a statement with a rubber stamp on the bottom of it, "With thanks." That is a receipt; yet these stores say it is not a receipt, that it is only a statement, and therefore they do not have to affix a stamp to it. May I ask my honourable friend what does the Department Hon. Mr. DANDURAND.

say? They say, "Oh, there is doubt about that; we are not sure but the firm is right." That is a most extraordinary stand for the Department to take. No ordinary man has ever put such a construction on a document of that kind. There is the statement of the goods, and there is the statement "with thanks." With thanks for what? With thanks for the money, of course; yet the Depart-ment says to that man, "Perhaps you are right that it is not a receipt." Is the Department going to accept the construction of this dealer? That is the sort of thing that is going on right under the nose of the Department in this city in more than one of these business houses. What is the view of the Department?

Hon. Mr. DANDURAND: I am informed that from the description the honourable gentleman gives of the transaction a stamp would be called for, and that the Department is preparing its organization to cover this new ground.

Hon. Mr. TANNER: What about the Department's attitude?

Hon. Mr. DANDURAND: It is preparing its organization to reach out—

Hon. Mr. TANNER: What is the Department doing down in the Maritime Provinces? It is prosecuting people down there, while here in Ottawa and the surrounding country it is letting them off. It says, "Oh, we will not fine you: we will let you off with \$10." What is \$10 to one of those big departmental stores?

Hon. Mr. DANDURAND: This amendment deals with a first offence, and, as my honourable friend knows, you must temper justice with mercy to those who are offending, and who may claim innocence or ignorance. In the case of a first offence, the Minister is given some discretion: instead of having to impose a fine of \$50, he may reduce it to \$10; but that is the end of his power.

Hon. Mr. TANNER: I was going to read what the Department says, because I have the correspondence with the Department in one of the cases I have referred to.

There are two points as I see the matter. In the first place, the law is the law. This proposed amendment will not come into operation until the 2nd of July. In the meantime, some two or three months ago, the Department took it on itself to issue instructions: "Do not prosecute any more people: let them off with \$10." Where does the Department get that authority? How can the public be expected to take any notice of a law when the Department takes it upon itself to override that law?

The other point is in reference to the question of what is a receipt—I do not propose to give the names of the persons—and this is what the Department stated in answer to a gentleman who was interested in the matter:

There is also another feature which I wish to bring to your attention as far as this case is concerned. The rubber stamp which was printed on the receipt given to you bore the words: "February, 1925-with thanks." The firm was under the impression that, as there was nothing in those words clearly acknowledging the payment of a sum of money, this did not constitute a receipt. I admit that there was a certain doubt about the matter, but when the manager interviewed the Department we pointed out to him that the words "with thanks" signified that the firm acknowledged to have received something, and, as this stamp is only used in the case of cash payments, the acknowledgment can only refer to a sum of money. The Department does not think that, in view of the circumstances, this was a straight violation of the law as would be the case where a party issues a clearly worded receipt without affixing any stamp thereto.

What are you going to say about a Department that quibbles in that way-first telling this firm that it should affix a stamp, and then stating on paper that it was not a straight violation of the law? What does it consider to be a straight violation of the law? I do not know the difference between a straight violation and a crooked violation. It is a violation just the same. Either this firm had to put on a stamp, or it had not. When you find a spineless Department saying, "We do not know whether it should be stamped or not, but we do not think it is a straight violation," I am not at all surprised at the people treating the law with disrepect. If the law is to be treated with respect, let the Department treat it with respect, and give fair play to everyone; if it is going to let department stores right here in this city do as they please-and more than one of them are doing so-how does it expect people in the backwoods to go out and buy stamps for receipts?

Hon. Mr. DANDURAND: Of course, the matter is not such an easy one as that. We all know that we can go into a store and buy an article for \$10 or more and pay our money for it and receive the article over the counter. We do not ask for a receipt. It is a cash payment. If, in order to keep tab on their employees, a firm passes through the machine the amount which has been paid, and we are given a copy of the statement-which I would say I do not need-the party who hands me the statement can clearly claim that he did not need to give the receipt and should not be penalized for having thanked me for coming into the store.

Hon. Mr. TANNER: I am not blaming my honourable friend. If he was at the head of the Department, I know he would not write such a letter as this. But I know personally of several other cases just like the one I have referred to. It appears to me that there are certain classes of people in this city who have been disregarding the law right along. They went to the Customs Office, and someone hustled down to the firm, very conveniently, and got them to put the stamp on, and they did not even pay the \$10. Then later one official wrote to the Department and the reply came back from the next to the head of the Department. I feel it my duty to call my honourable friend's attention to this, because I know that he would enforce the law in an equitable way.

Hon. Mr. DANDURAND: I will see that the matter is drawn to the attention of the Department.

Hon. Mr. BLACK: This is a revelation to me, and I think if this interpretation of the Act has been accepted and acted upon in the city of Ottawa, it is practically the only city in Canada where it has been done. I know that, as far as the Province of New Brunswick is concerned, the interpretation placed upon the law by the business men—the boards of trade and business associations—is that whenever a transaction for \$10 or over takes place in any store, for which cash is paid, a twocent stamp must be attached.

Hon. Mr. SCHAFFNER: If no receipt is given?

Hon. Mr. BLACK: If no receipt is given; if they made out a slip or counter slip. I do not belong to the Retail Merchants Association, but I read last year an extract from the proceedings at their meeting in which this matter was stressed and the attention of some of the members of the Association was called to the fact that they apparently did not clearly understand that. I think that any one of us who are not lawyers, but who think for ourselves, will be clear if we read the Act, that when a transaction covers \$10 or more, and an acknowledgment is given, even just a statement, a two-cent stamp must be affixed to it. Certainly that has been the interpretation accepted practically all over Canada. It would look to me almost as though there was connivance on the part of the Department to allow this to go on in the city of Ottawa.

Hon. Mr. DANDURAND: I am informed that the interpretation put on this Act by the Department of Finance is that if there is no receipt given the law does not call for the stamp. Clause 14 of the Special War Revenue Act of 1915, which governs this point, defines what is a receipt. It says:

For the purposes of this section the expression "receipt" includes any note, memorandum or writing whereby any money amounting to \$10 or upwards, or any bill of exchange or promissory note for money amounting to \$10 or upwards is acknowledged or expressed to have been received, deposited or repaid, or whereby any debt or demand or any part of a debt or demand of the amount of \$10 or upwards is acknowledged to have been settled, satisfied or discharged, or which signifies or imports any such acknowledgment, and whether the same is or is not signed with the name of any person.

The view of the Department is that if a cash sale is made and no receipt is demanded or given, the transaction is valid.

Hon. Mr. BLACK: I do not think that is quite correct.

Hon. Mr. DANDURAND: And yet there is the cheque for \$15, say, which goes to the creditor for the payment of a debt. That cheque is endorsed, collected, and the money passed. In order to get the money the creditor to whose order the cheque is made out endorses the cheque and that endorsation holds as good as a separate receipt; but there is no stamp called for upon that form of receipt which is on the document itself.

Hon. Mr. BLACK: Would you just read the last clause again, please?

For the purposes of this section the expression "receipt" includes any note, memorandum or writing whereby any money amounting to \$10 or upwards, or any bil of exchange or promissory note for money amounting to \$10 or upwards is acknowledged or expressed to have been received, deposited or repaid, or whereby any debt or demand or any part of a debt or demand of the amount of \$10 or upwards is acknowledged to have been settled, satisfied or discharged, or which signifies or imports any such acknowledgement—

Hon. Mr. BLACK: There is exactly what I had reference to: "which signifies or imports." The receipt is very clearly an acknowledgment which signifies that the bill was paid. If a counter check is given in which there is an acknowledgment it should have a stamp on it, and the interpretation of the Department to that effect is on record in the city of St. John., and I can produce it here.

Hon. Mr. DANDURAND: And I have not yet read the last phrase, which will perhaps support to a greater extent the argument of my honourable friend:

-and whether the same is or is not signed with the name of any person.

Hon. Mr. BLACK: Anything which indicates that a transaction has been consummated for \$10 or more.

Hon. Mr. DANDURAND.

Hon. Mr. McLEAN: I would like to have that made plain by the leader of the Government. If a man goes into a store and buys \$15 worth of goods, the party selling makes out a slip and takes it to the cash box and it is marked paid. Is that liable to the tax?

Hon. Mr. DANDURAND: The information that I have is that it is a receipt.

Hon. Mr. BLACK: What I cannot understand is why the Department is so doubtful in the case in Ottawa?

Hon. Mr. DANDURAND: I do not know from what Department the honourable gentleman from Pictou (Hon. Mr. Tanner) has his information.

Hon. Mr. TANNER: The Department of Customs and Excise. The letter is written by the Deputy Minister.

Hon. Mr. DANDURAND: Well, this matter will have to be investigated by the Customs Department.

Section 6 was agreed to.

On section 7—excepted articles not liable to tax:

Hon. Sir EDWARD KEMP: This is a new section, is it not?

Hon. Mr. DANDURAND: They are exemptions.

Hon. Sir EDWARD KEMP: Why do you exempt certain people and not others from this sales tax?

Hon. Mr. DANDURAND: The honourable gentleman will see for himself:

Vegetable plants; lasts for boots and shoes including rubber footwear and patterns and dies for boots and shoes including rubber footwear; goods enumerated in customs tariff items 453e, 469a—

That is, gasoline engines and well-drilling machinery. They are implements of production.

Hon. Sir EDWARD KEMP: They are not all the implements of production. Why exempt some and not others? What is the underlying principle of the exemption?

Hon. Mr. DANDURAND: These are not the only ones; they are additions to the list. Articles and materials to be used exclusively in the manufacture of goods enumerated in customs tariff items 453e, 469a.

Those are engines for boats, and welldrilling machinery.

Hon. Sir EDWARD KEMP: Why does not that machinery pay the same as other kinds?

Hon. Mr. DANDURAND: Because these are implements of production; it is in order to try to develop our natural resources.

Hon. Sir EDWARD KEMP: But there are hundreds of machines that are implements of production, and they pay a 5 per cent tax.

Hon. Mr. DANDURAND: If my honourable friend would look at the other exemptions, he would find quite a list.

Hon. Sir EDWARD KEMP: Where do you draw the line?

Hon. Mr. DANDURAND: These matters, of course, are very carefully considered by the Finance Department, and where it seems to be in the interest of larger production the customs tariff is amended.

Hon. Sir EDWARD KEMP: The situation as I see it is this. Ever since this iniquitous sales tax was established by this Government, the men that made the loudest noise and had the most influence with the Government—

Hon. Mr. DANDURAND: I do not know if my honourable friend was a Minister of the Government in 1921, but, if so, he must be somewhat more tender to his child. This was a sales tax extablished in 1921.

Hon. Sir EDWARD KEMP: Yes, 1 per cent.

Hon. Mr. DANDURAND: It was 4 per cent at the time.

Hon. Sir EDWARD KEMP: Oh, no, it was 1 per cent.

Hon. Mr. DANDURAND: I am informed it was 4 per cent.

Hon Sir EDWARD KEMP: I say it was not.

Hon. Mr. BELCOURT: What difference does that make in principle?

Hon. Sir EDWARD KEMP: There was a 1 per cent sales tax, or $1\frac{1}{2}$, and on certain articles it was somewhat different. The tax applied in theory to everyone in this country. There are small industries and large industries in Canada, and small merchants and large merchants, and it applied to everybody. There was a certain class of men who came to Ottawa and said: "This bears so heavily on us that we cannot pay it and do business." The result was that it was gradually whittled down until it affected just a few industrial enterprises and great mercantile industries, because the industries my honourable friend referred to this afternoon were entirely exempt from any tax of this kind.

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These mercantile concerns are the ones that to-day are prosperous, and they are so because of the fact that times are dull in Canada, and there are slaughter markets all over the world which seek to bring goods in here on which there is very little customs tariff collected. This country is not protected as the United States is, and these mercantile concerns buy from persons who are forced to sell, and thus they are making large profits. Their own published statements show that in some cases they are making profits of a million dollars a year, and those people are absolutely exempt from tax.

On the other hand, there are little factories all over Canada which are in a bankrupt condition, and are paying 5 per cent on their turnover. It can easily be seen what effect this tax is having in this country to-day. It is the most outrageous tax that was ever put on any country and there is no precedent for it. Neither in the United States nor in Great Britain is anything like that attempted.

How can you collect such a tax from people who are bankrupt-from the man who has no balance on the right side of his balance-sheet at the end of the year? What is the result in the Department of Finance to-day? I believe the Department would be ashamed to reveal the situation which exists. There are people in every part of this country who owe the Department thousands of dollars that cannot be collected because the people have not the money. They are not making any money, and conditions are such that they cannot make a profit. How can they pay 5 per cent on their gross turnover under these conditions? It is impossible. This tax has created a lack of confidence in this country: it has been more detrimental than any other kind of tax.

The situation is this, that there are mencoming to the Government every year saying that they cannot stand this tax; and they cannot. Look over your legislation, and you will find that exemptions are getting down to narrower points. If you must have a turnover tax, put it on everyone alike—on those who are successful as well as those who are not so fortunate. I say that it is the people who make the loudest cry in Ottawa who get the most exemptions. The exemptions are not so great this year as they have been in other years, but here is a sample.

I contend that this legislation would bankrupt many of our smaller but very valuable industrial concerns. I have observed, in the press, from circulars that come to me, and by experience in sitting upon one or two boards, that industrial organizations in this country are issuing bonds for amounts varying from \$50,000 to \$500,000. What are these bonds for? To pay off bank overdrafts; in a great many cases, to pay this tax. The other day I inquired of a reputable banker: "What does this mean, all this issuing of bonds all over Canada by these small industrial concerns?" The answer was: "You cannot mortgage a piece of real estate direct to a bank; a bank cannot take such a mortgage as security; but the bank can say to the customer, 'Issue bonds, under the Act, for \$50,000 or \$100,000, and pay off your overdraft with part of it'."

As I have said, this is good for the banks, but it is mighty poor for the industrial concerns of the country. If you must raise the money, put this tax upon wholesale and retail merchants, and a smaller tax on manufacturing concerns; but do not keep whittling this thing down until you get it where its effect is to bankrupt people who have to stand it. It is a mighty big thing for a man to have to pay \$50,000 or \$100,000 to the Government-5 per cent on his turnover. There are many concerns in this country whose gross turnover is a million dollars, and it is upon that gross turnover that the heavy tax of \$50,000 must be paid. It cannot be done, and if it goes on you will bankrupt one concern after another.

Hon. Sir JAMES LOUGHEED: Lost.

Hon. Mr. DANDURAND: No, I think we are moving in the right direction—in the direction which pleases my honourable friend: it is the exemption of the sales tax; and I think if he looks into this very small list of exemptions, he will find that they are in the right direction.

There is quite a large industry known as the boot and shoe industry which has been complaining of hard times, for various reasons which I will not enumerate. They are given a little advantage in certain matters which go into the making of boots and shoes:

Lasts for boots and shoes, including rubber footwear, and patterns and dies for boots and shoes, including rubber footwear.

This has been welcome news to those manufacturers, and I am quite sure that it meets with the commendation of my honourable friend.

There are a few other items which are practically the same as last year. So there is no abuse under this clause; and as to the process which my honourable friend seems to fear, of undue influence being exercised at headquarters, there is nothing that appears in these amendments that would support such an assumption.

Hon. Sir JAMES LOUGHEED: Why should gasoline engines be exempt?

Hon. Sir EDWARD KEMP.

Hon. Mr. DANDURAND: Gasoline engines were exempt before, and the word "gasoline" is taken out, and the word "engines" left. This will make a little profit in the purchase of engines for boats to be used bona fide by fishermen for their personal use in fisheries. I think these exemptions are surrounded with sufficient safeguards, so that the industry that is intended to be protected, to be helped, will be effectively assisted by these amendments.

Hon. Sir EDWARD KEMP: I am not objecting to the boot and shoe people being considered in regard to this taxation matter, but I think there are many people in this country who are in just as difficult a position as the boot and shoe industry. Why should you pick out that industry, when there are hundreds and thousands of others that are in a similar position?

Hon. Mr. DANDURAND: As a matter of fact, the boot and shoe industry is not exempted; the exemption applies simply to patterns.

Hon. Sir EDWARD KEMP: The taxation was reduced by half on the boot and shoe industry.

Section 7 was agreed to.

Section 8 was agreed to.

On section 9-priority of excise taxes repealed:

Hon. W. B. ROSS: This is the most important section we have had to deal with today. What I would like to consider is whether it would not be wise to add some words there such as "and shall be deemed never to have been enacted."

I suppose the repeal of this section will just leave the Act as it stands to-day, and for the future there shall be no charge or lien on a man's assets. But what about the past? Section 17, which we are repealing, says that the taxes specified under this Act shall constitute a first charge on the assets of such person. Well, up to date no one knows just what that amounts to. There is no provision for following it up and making the charge effective, nor for protecting the Department or the Government against a man selling his property.

I suppose it is doubtful whether a first charge would amount to anything in default of the Government entering an action to declare that they had a charge, and getting an injunction against a man who was making away with his property, and appointing a receiver to collect the earnings of the property so as to make the lien good. There is nothing, when a first charge is given, that enables you to make an execution, or anything like that. It seems to me more provocative than anything else. Would it not be better to clear the decks absolutely of that, and say that this section is repealed, and shall be deemed never to have been in force?

Hon. Mr. DANDURAND: I am afraid that my honourable friend would create chaos in very many instances by adding those words.

Hon. Mr. BELCOURT: Not only that, but it would open up a volume of litigation.

Hon. W. B. ROSS: It would simply abolish litigation.

Hon. Mr. BELCOURT: No; if you provide that the Act shall be deemed never to have been enacted, you stamp immediately with nullity every step that has been taken since its enactment, by virtue of that provision. For instance, priority has been exercised in perhaps a hundred cases. You would upset all that has been done in that way, and the whole of that liquidation would have to be begun over again. A proprietor could bring an action, saving: "This section is now declared never to have been enacted; what would have been done in exercising any priority would be absolutely void; the distribution that has been made of the property is invalid, and consequently I now have a right to recover the amount that was apportioned in the way it was done." You would open up the whole of those cases in which priority had been exercised. My honourable friend talks about avoiding litigation.

Hon. Sir JAMES LOUGHEED: Have there been any cases of that nature?

Hon. Mr. BELCOURT: I do not know: there must have been.

Hon. Mr. DANDURAND: Oh, there have been.

Hon. Sir JAMES LOUGHEED: I would be inclined to doubt it.

Hon. Mr. BELCOURT: You would be creating litigation in a certain and absolute way. You are bound to have litigation in that case.

Hon. W. B. ROSS: Something ought to be done with this: it is certainly not satisfactory the way it is. Take the case of the tax imposed last year. Suppose that it become a lien three months ago; and then, two or three weeks from now, this Bill becomes law; will the lien or the charge, that became effective three months ago, still remain?

Hon. Mr. DANDURAND: Not if it has not been acted upon.

Hon. W. B. ROSS: That is what I want, if you make it this way, that wherever a lien has been collected it must rest; but in all cases prior to this Act, where this so-called first charge was asserted and has not been actually collected, it will go.

Hon. Mr. BELCOURT: I should say so. The last section provides that the Act shall come into force on the 1st day of July. On that day every priority of that kind is gone if it has not been exercised.

Hon. W. B. ROSS: Why is it gone?

Hon. Mr. BELCOURT: Because it is abolished; it is repealed.

Hon. W. B. ROSS: This section is abolished.

Hon. Mr. BELCOURT: But it abolishes what? It abolishes priority. On the 1st of July all those priorities will be gone, absolutely.

Hon. W. B. ROSS: All priorities that would have arisen if the Act were not repealed—they are gone; but what about the past?

Hon. Mr. BELCOURT: The past ones have either been consummated, that is, completely acted upon and realized, and that is the end of them; or they have not been consummated. Some are still open, but we come along and say that these are no longer valid.

Hon. W. B. ROSS: No, you do not: you say the Act is repealed.

Hon. Mr. BELCOURT: But if the section which gave a priority is declared never to have been enacted, then you destroy ab initio the priority which has been decreed and acted upon until this Bill becomes law; you declare illegal all that has been done under this section.

Hon. W. B. ROSS: I deny that absolutely. If you constituted a charge last year, and the charge was effective, then the repeal of the Act for the future is not going to affect the charge of last year.

Hon. Mr. BELCOURT: I have not the slightest doubt that it is. The thing is gone absolutely. The authority under which you justified the asserting is gone. You have no more authority or basis to assert it.

Hon. W. B. ROSS: You have no more authority to impose a charge; but a charge that has been imposed—what are you going to do about it? Some of them have been collected, and some have not.

Hon. Mr. BELCOURT: There was no special procedure, or sacramental words necessary to exercise the priority since it was granted by an Act: it was the law itself. Now the law is gone; you can no more assert it or claim it; it is gone.

Hon. W. B. ROSS: I do not agree with the honourable gentleman at all. You repeal the Act. That affects the future, but it leaves the past untouched. That is in the interpretation clause of our statute: it is expressly provided.

Hon. Mr. DANDURAND: We will not take the third reading to-day, and I will ask the Department of Justice to pass on the contention of my honourable friend. I do not believe we can come back on the past when no action has been taken. If no action is taken by the 1st of July next, I contend that all the priorities that had been registered or that existed under this Act will be absolutely removed.

Hon. W. B. ROSS: Action has been taken but not completed. An actual case is now pending, that of the winding-up of a bankrupt estate. Suppose a settlement has been commenced and you are asserting your lien, but the settlement is not concluded. What about that, if you repeal section 17?

Hon. Mr. DANDURAND: I would say that if action has been taken, then it stands.

Hon. Mr. ROSS: I will admit that where the action is taken and completed, that ends it; but you may have cases, and there are cases—there is one to my knowledge—in which negotiations are proceeding and an attempt is being made to arrive at a settlement, the Crown elaiming priority and the other side denying it. When that section is repealed, there is a lien that you cannot say is asserted. It is in course of assertion. What will become of that? Will the negotiations be stopped and the Crown withdraw from that bankrupt estate, saying, "We no longer claim our lien?"

Hon. Sir JAMES LOUGHEED: I think it falls to the ground.

Hon. Mr. ROSS: Why not say so?

Hon. Sir JAMES LOUGHEED: There is no law by which you can enforce it.

Hon. Mr. BELCOURT: May I put the matter this way to my honourable friend? Let us take an imaginary case in point. The liquidator has provided for this priority and has given it rank accordingly, but it is not completed. He has not exercised that by say, the 1st of July, when the right to do so will expire. Will he not be met by the other creditors with this objection: "That priority

Hon. Mr. BELCOURT.

has gone. If you had put it into effect before the 1st of July, well and good, but you did not." An injunction surely could be taken against a distribution which would recognize that priority on the 2nd of July. My honourable friend will see at once that there can be no longer any authority to enforce it.

Section 9 was agreed to.

Sections 10 and 11 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

The Senate adjourned until Tuesday, June 2, at 8 o'clock p.m.

THE SENATE

Tuesday, June 2, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill T4, an Act for the relief of Matthew Wilson Lazenby.—Hon. Mr. Daniel.

Bill U4, an Act for the relief of Evelyn Laura Herlehy.—Hon. Mr. Daniel.

Bill V4, an Act for the relief of Lois Kathleen Purdy.—Hon. Mr. Gordon.

COMMITTEE CLERK AND CLERK OF MINUTES AND JOURNALS

RATES OF COMPENSATION

The Hon. The SPEAKER: I have the honour to inform you that I have received the following letter from the Clerk of the Senate:

The Civil Service Commission have prepared the following rates of compensation for the position of Committee Clerk and Clerk of Minutes and Journals, and submit the same for the approval of the Senate: Compensation.

Monthly.... \$ 175 \$ 185 \$ 195 \$ 205 \$ 215 Annually.... 2,100 2,220 2,340 2,460 2,580

On motion of Hon. Mr. Daniel, the communication was referred to the Standing Committee on Internal Economy and Contingent Accounts.

CHICKEN HADDIE TRADE MARK INQUIRY

Hon. JOHN McLEAN inquired of the Government:

1. If there is anyone authorized to give a trade mark to parties putting up Chicken Haddie.

2. Whether this applies to them solely, as Chicken Haddie is known as an ordinary fish, and has been put up for the last thirty years. 3. The information that I wish to get is, as to whether such a trade mark is registered, and by whom, and whether this trade mark excludes others from putting up the same kind of fish under the same name, or offering it for sale under the same name.

Hon. Mr. DANDURAND: On the 5th April, 1911, the words "Chicken Haddies" were registered as a specific trade mark in connection with the sale of fish on the application of Maritime Fish Corporation, Limited, of Montreal, in which they declared that they were the first to make use of said trade mark and that it was not in use by any other person at the time of their adoption thereof. If the declaration of said Corporation were unfounded in fact, the registration obtained thereon would not give them the exclusive right to use said trade mark.

Hon. Mr. McLEAN: I have a letter from one of the largest fish dealers in the Maritime Provinces as follows:

We sincerely hope that this matter will be justly settled as regards Chicken Haddie. Our principal reason is that there are several very well-deserving men who wish to do some canning in this line, and it would help them very much. To show you what an injustice there is at present, would say that a pro-minent fish house here who sells fresh fish only, offered some Chicken Haddie for sale, and they were promptly advised by the Maritime Fish Corporation that they bemust not offer anything under Chicken Haddie, cause the Government had given them control. What a ridiculous proposition. The Government might just as well give control of codfish, salmon or chicken halibut to one concern, and then nobody else would be able to mention the name of these fish, or offer the goods under such a name. Of course the Government admitted that the thing had been misrepresented to them 10 or 12 years ago, when the Maritime Fish Corporation got the use of this term, but they have the Lily brand, and that is their brand, and of course they are welcome to that brand, and it is registered, and we have no objection to them having the Lily brand. You can easily understand, however, that we and all these other people do object to them using a general trade term, and I am sure that if Chicken Haddie was in your section, that you would also object very strenuously, and I also feel that you can see the injustice of the matter.

I would like to know if the Maritime Fish Corporation controls the whole body of fish, so that no man can offer that, whether the fish be fresh or salted or frozen, by putting the product under a different name from that registered by the corporation

Hon. Mr. DANDURAND: I am somewhat diffident in expressing my opinion on a matter on which I know nothing. I have simply read the answer, which states that if the representation that was made in obtaining that trade mark in 1911 was unfounded in fact, then it can easily be removed or cancelled by the proper process of law; but of course I do not know the facts as to this matter. Hon. Mr. McLEAN: The party who writes this letter belongs to one of the largest concerns handling canned fish, and they have started an action in the court to do away with this monopoly, as they call it, or this exclusive right to put up Chicken Haddie, or sell it, either fresh, frozen, salted, or in any other way. Instead of their going to the court I said that the Government would give me the information if I made the inquiry.

Hon. Mr. DANDURAND: Was Chicken Haddie known to and sold in the Maritime Provinces by the trade before 1911?

Hon. Mr. McLEAN: Certainly.

Hon. Mr. BELCOURT: It occurs to me that my honourable friend has given us the answer to his question, by stating that proceedings had been begun in the court, which I suppose would be the Exchequer Court. It is a question of law what rights are conferred by that trade mark, and whether there is an infringement if any other concern puts up Chicken Haddie under another name. It is not a question for Parliament: it seems to me to be entirely a question for the courts to decide.

Hon. Mr. McLEAN: I would not take it in that way, because all the parties putting up canned fish are under the impression that the Government would have no right to give an exclusive trade mark to one party to put up one kind of fish; yet they have given this company the right to the brand, or to the trade mark, practically giving full control of this kind of fish.

Hon. Mr. BELCOURT: But I am suggesting to my honourable friend that only the courts may decide that question. Parliament cannot give a decision.

Hon. Mr. McLEAN: I imagine that the Government could withdraw the decision which gives control over the whole brand.

Hon. Mr. BELCOURT: If they claim that the holding of this trade mark gives them the control, only a court of justice can decide whether it does or does not.

Hon. Mr. BRADBURY: The other packers would have to take action.

Hon. Mr. BLACK: Do I understand that if the Government gives a trade mark for a general commodity, it cannot be cancelled? This Chicken Haddie is not a brand: it is a kind of fish. The Government might just as well say that they could give a trade mark for canned lobsters, and that nobody else in the Dominion of Canada could put them up. It is ridiculous on its face.

Hon. Mr. DANDURAND: But I ask the attention of my honourable friend to this situation. Under the law, and the regulations flowing from that law, something has taken place. An action has been taken; a demand Now. I believe that in the has been made. Act itself there is provision for an appeal to the Commissioner or to the Minister. We revised the whole Act a Session or two ago, spending a number of hours on it, but I do not now remember the text. It may be that by the effluxion of time an action in the Exchequer Court might not be taken; but, as my honourable friend from Ottawa (Hon. Mr. Belcourt) says, it is a question which must be taken up by an attorney.

Right Hon. Sir GEORGE E. FOSTER: It would seem to me that there is a recourse which is sensible and reasonable. When a department attaches a name to a certain preparation of generic substance-in this case chicken haddie -they give the right of a trade mark to call the produce the Lady brand, or whatever they desire to call it; but it does seem to me absurd if that trade make covers not only that particular brand of chicken haddie, but all chicken haddie. The trade mark is not given by Act of Parliament, but is issued under authority of an Act, by the Commissioner or the Minister, under some sort of regulation. It seems to me that the first recourse would be to present the case to the Minister and to ask that it be reviewed: and the opinion of the Department of Justice would be asked as to whether that trade mark covered the whole species of fish which is included in this name. That seems to me to be a very simple and easy method. Why should we send men to the courts and away up to the Privy Council in Great Britain to decide a simple matter of that kind, if they can have recourse to the Minister himself?

Hon. Mr. BELCOURT: But a trade mark is like every other Crown grant, such as a grant of land: when once it is issued the Crown itself cannot review it or change it or interpret it. It becomes then a matter for the courts to inquire into. If the parties who own this trade mark are asserting rights to a monopoly or an exclusive control, anybody can exercise what he considers his own right as against that right, and if there is an infringement it is a matter purely for the courts. They could not ask the Crown to interpret its own grant; the grant speaks for itself. It can be interpreted only by a court of justice.

Hon. Mr. BRADBURY: I would like to ask my honourable friend, who is a good lawyer, whether the simple way to test this case would not be for one fish company to

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make application to the Department? It seems to me that if the Department has a right to give a monopoly, it cannot refuse another party the right to fish.

Hon. Mr. BELCOURT: I am of the opinion that the only way for these people who are putting up chicken haddie is to go on and do so, and allow the other people, who claim control, to take an injunction or other proceeding in court. Or, the people who suffer may themselves bring an action before the Exchequer Court, which I understand from my honourable friend has already been done. That is another reason why Parliament should not interfere, when the matter is before the court, to give its interpretation of questions in dispute. It is quite plain to anybody that Parliament cannot interfere while the matter is under litigation.

Hon. Mr. McLEAN: When this matter was put in my hands, I thought I could find out the extent of the grant that was made to the Maritime Fish Corporation, and I thought the best way was to ask the leader of the Government to put us in communication at least with the parties who issued that trade mark, and who had authority to issue it, and to ask that it might be cancelled by the official who issued it in case he found that the evidence was misrepresented to him at the time. If he had power to grant it, he should have power to cancel it when he found it was granted on false information.

Hon. Mr. DANDURAND: I will get in contact with the head of the Department, and try to obtain the information for my honourable friend.

APPOINTMENT OF SENATE OFFICIALS MOTION

Hon. J. W. DANIEL moved:

That in the opinion of the Senate the appointment of all officers occupying seats on the floor of the Senate, to whom the Civil Service Act applies, should be selected and appointed by the Senate, and that the Civil Service Commission should be asked to exclude those positions from the operation of the Civil Service Act.

He said: Honourable gentlemen, since I gave my notice of motion I understand that the Civil Service Commission has taken some action just what it is I do not know, and it may be that this resolution, before being finally disposed of, might be amended instead of being carried in the wording I have given it.

I may say that the motion was suggested by the vacancy caused by the death of the Gentleman Usher of the Black Rod. Hitherto, before the Civil Service Act was passed, that official was appointed by the Crown, as indeed were the Clerk of the Senate and the Clerk of the House of Commons.

Hon. Mr. DANDURAND: And the Sergeant at Arms.

Hon. Mr. DANIEL: When the Civil Service Act was passed the two officials I have named were put in the position of deputy heads, and thus exempted from the operation of the Civil Service Act, and appointments to those offices still remain in the hands of the Crown. The other officers who have seats on the floor were formerly appointed by the Senate itself, but passed into the hands of the Civil Service Commission, as did the position of the Gentleman Usher of the Black Rod. However, when the Civil Service Act was passed there was a proviso placed in it which I will read. It is section 34 of the Act of 1918:

Wherever any action is authorized or directed to be taken by the Governor in Council or by Order in Council, such action, with respect to the officers, clerks and employees of the Senate or the House of Commons shall be taken by the Senate or the House of Commons, as the case may be, by resolution.

And it goes on further:

Or, if such action is required during the recess-

That is, during proregation of Parliament--by the Governor in Council-

But observe:

--subject to ratification by the Senate, House of Commons, or both Houses, as the case may be, at the next ensuing session.

I think that would thoroughly justify us in considering that while Parliament is in session these matters are under the control of the House to which the particular appointment in question belongs.

I may say that we have already a precedent for that in the case of the House of Commons, which passed a resolution regarding the position of Sergeant-at-Arms of that House, which has been under the supervision of the Civil Service Commission; and on the resolution being passed by the House of Commons, the appointment was transferred to the House of Commons,—I presume that means to the Government.

The position of Gentleman Usher of the Black Rod is a peculiar one, so peculiar, indeed, that there is no other position of the same kind in the whole Civil Service. It is, as it were, sui generis. I might read from the classification published some years ago the qualifications and duties of the Gentleman Usher of the Black Rod:

To act as director of ceremonies at state and parliamentary functions and receptions to distinguished public visitors; to advise federal and provincial authorities and rule on matters of precedence and official social practice; to be in attendance during sessions of Parliament on the floor of the Senate; to summon the House of Commons to the Senate Chamber at the opening and closing of Parliament, when assent is being given to Bills, and on like occasions; and to perform other related work as required.

In addition to that, our late Gentleman Usher of the Black Rod performed a great many duties for the Senate. For instance. when the last holder of the position of Sergeant-at-Arms in this Chamber retired, the duties of his office were passed over to the Gentleman Usher of the Black Rod.

Hon. Mr. BELCOURT: May I ask my honourable friend by what authority was that done? Was it the House?

Hon. Mr. DANIEL: The office of Sergeantat-Arms has simply been held in abevance: it has never been filled. I do not know that any resolution was passed in regard to the matter, but the duties of the office were passed over to the Gentleman Usher of the Black Rod. In addition, on the recommendation of the Committee on Internal Economy and Contingent Accounts, a number of other duties such as are performed by the Sergeant-at-Arms in the other branch of Parliament, duties of internal or domestic economy of the Senate, were passed on to the Gentleman Usher of the Black Rod; and we all know that, after those duties were undertaken by the late Colonel Chambers, there was a great improvement in the discipline and in the performance of those duties by those over whom he was placed.

I do not wish to take up the time of the House discussing this matter. I think it appeals to every one of us that the appointment of an official who, besides the more speotacular duties which he performs, has many other functions relating to our domestic economy, could better be filled by the Senate than by the Civil Service Commission. The Civil Service Commission has largely only one method of testing the qualifications of applicants for position, that is, by literary examinations and means of that kind. I do not think the Gentleman Usher of the Black Rod could be very well selected if that were the only test of his qualifications for appointment. I think we are probably all of the opinion that this appointment should be in the hands of the Senate itself, which is all that my resolution means. Of course, the resolution includes also the positions of Deputy Clerk and Assistant Clerk and Law Clerk, but its occasion was the untimely death of the late Gentleman Usher of the Black Rod. I therefore move the motion that stands in my name.

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend if he proposes to push this matter to a conclusion to-night?

Hon. Mr. DANIEL: I was in hope that it might be concluded to-night. I have heard that the Civil Service Commission has transferred this appointment in some way, but to whom or where I do not know. Under the Act it is authorized to act by resolution of this House or by resolution of the Commons, or by resolution of the Governor in Council; but, in addition to that, it has also the power of acting without any resolution at all. Some member may perhaps be in a position to frame an amendment to the resolution which I have moved, and such amendment may be adopted instead of the bald resolution.

Hon. Mr. DANDURAND: Honourable gentlemen. I have not a copy of the report of the Civil Service Commission in my hand, but I have read it, so I can impart the information fairly accurately to the Senate. Upon the Council or the Prime Minister being made aware regularly and officially of the demise of the Gentleman Usher of the Black Rod, a communication was sent to the Civil Service Commission asking it to release the position of the Black Rod and of the other officials who have seats at the Table of the Senate from the operation of the Civil Service Act. The Commission, I believe, acceded in the very words of the request, and released those positions. I am not quite clear as to the positions themselves, but of course the position of the Black Rod is covered, inasmuch as the death of the late Colonel Chambers was the occasion of the request. The Civil Service Commission, however, states that the power. of appointment will have to be dealt with by the law officers of the Crown. I would take it for granted that that action of the Civil Service Commission releases the position of the Black Rod, so that the motion of my honourable friend is already agreed to pro tanto.

Hon. Mr. DANIEL: I think the honourable Minister goes a little far. If the intention of the motion is carried out by the action of the Civil Service Commission, the appointment of the Gentleman Usher of the Black Rod would be placed in the hands of the Senate; but I did not understand that the Commission had gone to that extent.

Hon. Mr. DANDURAND: The report of the Civil Service Commission states very clearly that it cannot say who is the nominating party, and it leaves it to the law officers of the Crown to decide. I readily confess that I have not studied this question minutely, but I know that in 1867, for reasons that are

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not indicated in the resolution, the Senate decided that some positions, including that of the Black Rod, would be referred to the Crown for appointment, and that the appointments would be made by the Crown. Now, the question may arise: is that resolution of the Senate of 1867 revived by the releasing of those positions by the Civil Service Commission? Of course, the Senate joined the House of Commons in substituting the action of the Civil Service Commission for the action to be taken under the resolution of 1867. Now the question is whether the law officers of the Crown, after examining into the situation, will say that the status quo ante prevails and the powers under the resolution of 1867 have been revived. My opinion is-and I speak with some diffidence, because I have not given any serious attention to the problem-that if the resolution of 1867 was revived by the releasing of those positions, the Senate would still be the master, and able to recall that resolution. Of course, I do not know why that resolution was passed in the opening days of Confederation, and why, till the Civil Service Act was passed, the Senate of Canada abandoned the control of those positions to the Crown. I do not suppose that there are any legislators within the sound of my voice who can recall that incident, or inform us why the Senate passed those appointments over to the Crown. I surmise that what the Senate did in 1867 was founded upon some right, because if the Senate had no right, it could not pass the appointments over to the Crown.

I confess that I do not see any very good reason, and I cannot imagine any, why the Senate in 1867 and since has deprived itself of the control of its own staff. My inclination is to believe that the Senate should have retained some right of control over those officers, and, even if it passed the right of appointment to the Crown, it should have insisted that the names be submitted to the Senate for approval It did nothing of the kind. We may adopt some other procedure-whatever the Senate decides upon will naturally be law to mebut if the Crown is left with the power of making that appointment, I may say that I have it from the Prime Minister that he would not think of suggesting an appointment himself, or endorsing it, without the Senate being consulted.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it seems to me that this is not the complicated question which my honourable friend apparently thinks it is. The situation is a very simple one, and is readily understood when we make reference to the Civil Service Act. Notwithstanding the power of appointment in 1867 and from that time down to the passage of the Civil Service Act being with the Crown, the object of the Act was and is to supersede the exercise of power by the Crown or by the Government. That is to say, appointments made by the Governor in Council were appointments of the Crown. Those appointments were passed over to the Civil Service Commission. If appointment was to be made by a lesser power than the Governor in Council, where the proper language is employed, that appointment passes over to the Civil Service Commission. There is no question of the Crown having been excluded in regard to the appointment of the Gentleman Usher of the Black Rod, for the simple reason that the Government itself recognized the power having been transferred to the Civil Service Commission through having requested that Commission to exclude the appointment of the Gentleman Usher of the Black Rod. If the Government had concluded that the office did not pass to the Civil Service Commission, but continued vested in the Crown, it might then assert the claim which apparently my honourable friend thinks possible, that it has the power of appointment. But they are prevented from doing that, for the simple reason that they quite concede that it was handed over to the Civil Service Commission and by their request to the Commission excluded. The exclusion takes place under section 38B of the Civil Service Act, Chapter 22 of the Statutes of 1921:

(1) In any case where the Commission decides that it is not practicable nor in the public interest to apply this Act to any position or positions, the Commission may, with the approval of the Governor in Council, exclude such position or positions in whole or in part from the operation of the Act, and make such regulations as are deemed advisable prescribing how such position or position are to be dealt with.

It remains to be said, from the information my honourable friend has already given us, that the Commission has not prescribed how the appointment shall be made.

Hon. Mr. DANDURAND: Has left it to the law officers of the Crown to determine.

Hon. Sir JAMES LOUGHEED: Then my contention is that the law officers of the Crown have to be guided by the statute. Here is the statute, reading as plainly as language can read, providing as to the power of the Commission to make the exclusion.

Then we have Chapter 12 of the Statutes of 1918, section 34, providing how the appointments shall be made:

So much of this Act as relates to appointment, transfer and promotion, and to salaries, increases and classi-

fications in the Inside Service and the provision of section thirty-two shall apply to the permanent officers, clerks and employees of both Houses of Parliament and of the Library of Parliament, and wherever any action is authorized or directed to be taken by the Governor in Council or by order in council such action, with respect to the officers, clerks and employees of the Senate or the House of Commons, shall be taken by the Senate or the House of Commons, as the case may be, by resolution.

Therefore it seems to me very clear how this appointment shall be made. It is to be made by the Senate. The report of the Speaker of this House is practically the report of a Minister of the Crown, and the Senate acts as the Governor in Council. The clause speaks of the appointment being made by the Governor in Council. We have the Governor in Council here, the Speaker acting as a Minister and the Senate acting as the Council. That is expressly provided by the statute. If the appointment is made during a recess, the Governor in Council takes action, making the appointment, and it is ratified at the next Session of Parliament by the particular House to which the appointment applies. But during the sitting of Parliament the appointment is entirely within the power of the House in which the position is.

Furthermore, I quite agree with my honourable friend that it is only proper that the Senate should have a voice, and have the only voice, in the election of its officers who sit on the floor of the House. The Gentleman Usher of the Black Rod particularly comes into contact with the members of the Senate probably more than any other officer of the House—more than even the Clerk of the House himself; and it is desirable that he should be persona grata with the House. I see no other way of bringing about that comdition than the making by the Senate itself of the appointment.

Hon. Mr. DANDURAND: Has the honourable gentleman satisfied himself as to the appointment being that of an officer of the Senate, and not an officer of Parliament?

Hon. Sir JAMES LOUGHEED: That would have been arguable had the Government not asked the Civil Service Commission to exclude the appointment and to vest it in the House itself. If the Government had remained silent in the matter, it could then very logically have taken the position that this office never passed to the Civil Service Commission—that it was vested in the Crown in 1867 and so continues, and in order for it to pass to the Civil Service Commission it must be specifically mentioned in the Act. But the Government did not take that attitude. Hon. Mr. DANDURAND: But the action of the Government does not alter the status of the position. Would the Commons have an equal right with us in suggesting the appointment? I am wondering if Black Rod is not more than an officer of the Senate.

Hon. Sir JAMES LOUGHEED: Perhaps; but, entirely apart from the Senate itself, the Government must necessarily be the highest power that can speak upon this particular subject. If it does not claim the appointment for itself, then it must necessarily vest it in the Senate, entirely irrespective of what has taken place under the Civil Service Act. because there is no provision whereby the two Houses of Parliament can make the appointment, and the position having attached to the Senate, it seems to me that logically the power of appointment should lie here. I hope, however, that the Government will recognize the desirability of the Senate making this appointment.

Hon. Mr. DANDURAND: Would my honourable friend read again the provision which seems to invest the Civil Service Commission with power to state under what conditions the release shall take place—

Hon. Sir JAMES LOUGHEED: But they did not do that.

Hon. Mr. DANDURAND:—which would perhaps justify the reference to the law officers of the Crown?

Hon. Sir JAMES LOUGHEED (reading):

In any case where the Commission decides that it is not practicable nor in the public interest to apply this Act to any position or positions, the Commission may, with the approval of the Governor in Council, exclude such position or positions in whole or in part from the operation of the Act, and make such regulations as are deemed advisable prescribing how such position or positions are to be dealt with.

Hon. Mr. DANDURAND: Would not that cover the reference to the law officers of the Crown? I wonder by virtue of what power they made that ruling?

Hon. Sir JAMES LOUGHEED: I would contend, without having given very much thought to it, that this would be outside the scope of the Commission, for the simple reason that section 34 declares how an appointment shall be made by either House of Parliament. Of course, if the statute has spoken expressly upon the subject, it is manifest that the Civil Service Commission cannot by regulation oust the statute.

Hon. Mr. BELCOURT: Does not section 34 really mean that?

Hon. Sir JAMES LOUGHEED: Section 34 really means what it says, namely— Hon. Sir JAMES LOUGHEED. Hon. Mr. BELCOURT: Officers of the two Houses are to be appointed by the Houses respectively.

Hon. Sir JAMES LOUGHEED: By the Houses of Parliament themselves, respectively.

Hon. Mr. BELCOURT: That is what section 34 says.

Hon. Sir JAMES LOUGHEED: Yes. Consequently the language employed in section 38B, dealing with regulations that may be made by the Commission, could not apply to this particular case. However, I hope the Senate will not get into a conflict with the Government of the Day as to this appointment.

Hcn. Mr. DANDURAND: I am very glad that this question is being discussed from all its angles, more especially its legal aspect. I myself suggested to the Minister of Justice, when I heard the reading of this report, that perhaps the Senate would like to present its views on the matter to the law officers of the Crown before they arrived at their opinion.

Right Hon. Sir GEORGE E. FOSTER: Do I understand that the Civil Service Commission has released this particular office?

Hon. Mr. DANDURAND: Yes.

Right Hon. Sir GEORGE E. FOSTER: Has absolutely released it?

Hon. Mr. DANDURAND: Yes. I will present at the next sitting of the House the report of the Civil Service Commission.

Right Hon. Sir GEORGE E. FOSTER: I would like to see it.

Hon. Mr. DANDURAND: I think the request covers the officers who have seats on the floor of the House, and I believe that the answer is in conformity with the request. It undoubtedly covers primarily the position of Gentleman Usher of the Black Rod, because the demise of Colonel Chambers was the occasion for the request.

Right Hon. Sir GEORGE E. FOSTER: An impression is on my mind, which I received from a source that I thought was fairly authoritative, that the Civil Service Commission had not come to any such agreement.

Hon. Sir JAMES LOUGHEED: Yes, it has.

Hon. Mr. DANDURAND: I saw the document with my own eyes.

Right Hon. Sir GEORGE E. FOSTER: Anyway, it would be instructive to see what the document really is. We have had placed before us a rather important question, and we cannot have too much information with reference to it. Prima facie, I am opposed to this continual asking of the Civil Service Commission to release certain positions. There is vour law. It was made by Parliament. If Parliament has changed its mind-if the Government has a certain view with reference to particular offices, and Parliament agrees with the Government, it seems to me that the straightest and best way is to amend the Act so as to release those appointments from its operation, rather than to be continually putting before the Commission requests for exclusion and bringing to bear upon the Commission pressure which, to my mind, detracts a good deal from its independence and the respect due to it. Let Parliament declare its view regarding certain offices and amend the Act accordingly.

Hon. Mr. DANDURAND: But there need be no amending of the Act in this instance, because the request made to the Civil Service Commission is based upon a proviso in the Act that authorizes the making of such a request.

Right Hon. Sir GEORGE E. FOSTER: And the Commission has agreed to that?

Hon. Mr. BELCOURT: Honourable gentlemen, if my honourable friend is right in his contention, I think we are driven to the conclusion that at no time, since the Act of 1918 anyway, has the Civil Service Commission had any jurisdiction or any say in the matter. If I followed my honourable friend's arguments, that is the necessary conclusion.

Hon. Sir JAMES LOUGHEED: Does my honourable friend refer to me?

Hon. Mr. BELCOURT: Yes. If that is the case, the jurisdiction or discretion on the part of the Civil Service Commission was wiped out, destroyed completely, in 1918, and it had nothing to release, or nothing to do.

Hon. Sir JAMES LOUGHEED: Not at that time—not until the Act was amended in 1921.

Hon. Mr. BELCOURT: If I understand aright, my honourable friend says that after section 38 was enacted the Commission was powerless with regard to officers of both Houses.

Hon. Sir JAMES LOUGHEED: No; I do not say that.

Hon. Mr. BELCOURT: I understood my honourable friend to argue that from that time on the Civil Service Commission is deprived of any jurisdiction at all in the matter of employees of both Houses. Hon. Sir JAMES LOUGHEED: Oh, no; quite the contrary.

Hon. Mr. BELCOURT: I wanted to make sure.

Hon. Sir JAMES LOUGHEED: The Act, Chapter 12 of the Statutes of 1918, was passed in pursuance of our having abandoned the right of appointment, and we then vested it in the Civil Service Commission.

Hon. Mr. BEIQUE: I understand that by section 34 each branch of Parliament was given the power to appoint its own officers.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BELCOURT: What does section 34 mean if it does not mean that?

Hon. Mr. BEIQUE: That is what section 34 says.

Hon. Sir JAMES LOUGHEED: Until that time the Civil Service Commision had no authority to appoint an officer of Parliament. It had power to appoint departmental officers.

Hon. Mr. BELCOURT: That makes no difference.

Hon. Mr. BEIQUE: That makes no difference.

Hon. Sir JAMES LOUGHEED: But the Commission was given increased power in 1918.

Hon. Mr. BEIQUE: A law was passed in 1918, and we have to ascertain what it is. It provides:

So much of this Act as relates to appointment, transfer and promotion, and to salaries, increases and classification in the Inside Service and the provisions of section thirty-two shall apply to the permanent officers, derks, and employees of both Houses of Parliament and of the Library of Parliament.

That does not bear on the question; but let us read further:

And whenever any action is authorized or by Order in Council, such action, with respect to the officers, clerks and employees of the Senate or of the House of Commons, shall be taken by the Senate or the House of Commons, as the case may be, by resolution.

This, I understand, means that whenever an officer or employee of the Senate is appointed by Order in Council, he shall be appointed by resolution of the Senate, and likewise an officer or employee of the House of Commons shall be appointed by resolution of that House.

It seems to me that what we have to determine is whether the Black Rod is an officer of Parliament or an officer of the Senate. On referring to Bourinot, I find that when dealing with officers of the Senate he refers to the Black Rod as an officer of this House, and, on referring to May, I find the same thing, that the Gentleman Usher of the Black Rod in England is an officer of the House of Lords. Therefore, if the Black Rod is an officer of the Senate, it seems to me that the appointment is governed by section 34 of Chapter 12 of the Statute of 1918; and that, as the honourable member from Ottawa (Hon. Mr. Belcourt) has just stated, the Civil Service Commission has no jurisdiction whatever. It cannot exclude the office from the operation of the Act, because it does not fall under the Commission.

Hon. Sir JAMES LOUGHEED: My contention is quite the contrary.

Hon. Mr. FISHER: Honourable gentlemen, if it is the intention of the Senate simply to obtain a straight expression of opinion from its members as to whether this appointment should be made by the Senate or not, I think that could be brought about by amending the motion of the honourable member from St. John. I would therefore move:

That all the words after "Senate" in the third line be struck out.

The motion would then read:

That, in the opinion of the Senate, all officers occupying seats on the floor of the Senate to whom the Civil Service Act applies should be selected and appointed by the Senate.

It seems to me that that would express our views in a straightforward manner on this question.

Hon. Mr. BELCOURT: But that would be a contradiction in terms, admitting on the one hand that the Civil Service Act applies to these offices, and then going on to say that it should not.

Hon. Mr. FISHER: Then I will change the amendment to read:

That, in the opinion of the Senate, all officers occupying seats on the floor of the Senate should be selected and appointed by the Senate.

Before the motion is put I would like to ask the honourable leader if he has any information as to whether or not it is the intention of the Government to claim the right to make this appointment.

Hon. Mr. DANDURAND: Of course, I have no official mandate in answering, but I am quite sure that I express the opinion of the whole Council when I say that, after the reading of that report from the Civil Service Commission, suggesting that the law officers of the Crown be consulted, the matter has been or will be turned over to the law officers of the Crown. I hesitate even to say that is has not been done, but it seemed evident that the report of the Civil Service Commission Hon. Mr. BEIQUE. had to follow its course. I cannot say what was the decision, but I can say that I had the feeling that, since the report of the Civil Service Commission was as it was, there was nothing to do but to follow the advice and report of the Commission.

Hon. Mr. FISHER: I thank the honourable gentleman for the information, which I am quite sure will satisfy the House that it is the intention of the Government to claim the appointment.

Hon. Mr. DANDURAND: But I cannot say that, because all that the Government has before it is the report of the Civil Service Commission; and how can my honourable friend expect that the Government will express their opinion or take any action when the legal aspect of the situation must be reviewed by the officers of the Crown, according to the advice of the Civil Service Commission?

I may say, however, that I am authorized to declare that if by some conclusion that would be arrived at—I do not say by whom the Crown had the appointment, the Senate of Canada would be consulted, because I would not admit that a high officer of the Senate, having daily contact with the Chamber, would be appointed without being persona grata with the Senate.

Hon. Sir JAMES LOUGHEED: Would my honourable friend revise that mode of consultation, so to speak, and allow the Senate to suggest the appointment, and let the Government ratify it; that is, if the Government assumes to itself the right to appoint, which I very much doubt.

Hon. Mr. DANDURAND: Well, I would suggest that the Senate take no action upon the motion of my honourable friend. This is a matter of consequence—of such consequence that if the Senate, in its wisdom, decided to claim the appointment of all the officers who sit at the Table, it would be reversing the decision of the Senate which initiated another procedure. We must not forget that in 1867 the Senate declared that certain positions were Crown appointments, or appointments to me made by the Crown -I do not remember the exact words of the resolution. But the matter is of such importance that the Senate should examine into the situation somewhat closely, more especially, when we have the Civil Service Commission, to whom we of the Parliament of Canada delegated certain powers as to appointment and selection, releasing that position under certain circumstances, the terms of which we have not before us.

I have conveyed the purport of the report, but I will lay it before the House at the next sitting.

Hon. Mr. POPE: I fail to see why the action in 1867 should be any precedent for us at all. In 1867 there was no organization either by the one Chamber or the other, and there was no Civil Service Commission.

Hon. Mr. DANDURAND: I do not claim that the Senate is bound. I would say that though the Senate passed a resolution even as far back as 1867, it could always recall that resolution.

Hon. Mr. BELCOURT: I hope that, without the necessity of moving a sub-amendment, my honourable friend from Brant (Hon. Mr. Fisher) will agree to have the debate adjourned until a future date so that we may get all the information that we need. There is no especial hurry for the appointment. The honourable leader of the Government told us a little while ago that we are likely to be here for five or six weeks yet.

Hon. Mr. DANDURAND: Yes, but I will make this correction. We may be here for five or six weeks, but I believe that the Government will need some money before the end of the Session, and the Black Rod will have to knock at the door of the Commons shortly.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend whether this is a new development—that we are expected to be here five or six weeks?

Hon. Mr. DANDURAND: My honourable friend was not here when we had a heart-toheart talk over this matter.

Hon. Mr. DANIEL: Is not the Government in need of some funds very soon? How are we going to get them without the Gentleman Usher of the Black Rod?

Hon. Mr. DANDURAND: We will have to pass a Supplementary Supply Bill.

Hon. Mr. CASGRAIN: Surely the finances of this country do not depend on the appointment of an Usher of the Black Rod. Suppose there was none on that particular day; suppose he had been run over by a street car, would the whole machinery of Parliament be tied up on that account? I think the Government or this House could appoint some one to go to the Commons and tell them that the Governor was waiting for them in this Chamber.

Hon. Mr. BEIQUE: I join with the honourable gentleman from Ottawa (Hon. Mr. Belcourt) in suggesting that the debate be adjourned; I think it is but proper, when the matter is under advice in another House.

Hon. Mr. FISHER: I will move the adjournment of the debate.

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend, that he direct the attention of the Government to this motion, so that they may know what the sentiment of this House is.

Hon. Mr. BELCOURT: We do not know that.

Hon. Sir JAMES LOUGHEED: Well, we will take it now.

Hon. Mr. DANDURAND: No, but I intended to draw the attention of the officers of the Crown, if they are studying the situation, to the debate that has taken place in this Chamber.

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

CANADA EVIDENCE BILL

FIRST READING

Bill 27, an Act to amend the Canada Evidence Act.—Hon. Mr. Dandurand.

OPIUM AND NARCOTIC DRUG BILL

FIRST READING

Bill 46, an Act to amend the Opium and Narcotic Drug Act, 1923.—Hon. Mr. Dandurand.

MEAT AND CANNED FOODS BILL

FIRST READING

Bill 73, an Act to amend the Meat and Canned Foods Act.—Hon. Mr. Dandurand.

FRUIT BILL

FIRST READING

Bill 117, an Act to amend the Fruit Act. -Hon. Mr. Dandurand.

ANIMAL CONTAGIOUS DISEASES BILL

FIRST READING

Bill 150, an Act to amend the Animal Contagious Diseases Act.—Hon. Mr. Dandurand.

NORTHWEST TERRITORIES BILL

FIRST READING

Bill 151, an Act to amend the Northwest Territories Act.—Hon. Mr. Dandurand.

APPROPRIATION BILL No. 2 FIRST READING

Bill 171, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending 31st March, 1926. —Hon, Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill. He said: This Act may be cited as the Appropriation Act No. 2, 1925. It provides that out of the Consolidated Revenue Fund there may be paid a sum not exceeding \$31,409,846.82 towards defraying the several charges and expenses of the Public Service from the 1st day of April, 1925, to the 31st of March, 1926, not otherwise provided for, and being one-sixth of the amount of each of the several items to be voted, set forth in the estimates for the fiscal year ending the 31st day of March, 1926, 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.

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 KING'S BIRTHDAY

ADJOURNMENT OF THE SENATE

On the Orders of the Day:

Hon. Mr. DANDURAND: With the leave of the House I move that when the Senate adjourns this evening it stands adjourned until Thursday afternoon at 3 o'clock, to-morrow being the King's birthday.

The motion was agreed to.

DIVORCE BILLS

THIRD READING

Bill P4, an Act for the relief of Samuel James Connor.—Hon. Mr. Haydon.

SECOND READINGS

Bill Q4, an Act for the relief of Andrew Toulouse.—Hon. Mr. Haydon.

Bill R4, an Act for the relief of Albert Plue Jessop.—Hon. Mr. Haydon.

Bill S4, an Act for the relief of Cecil Hunter.—Hon. W. B. Ross.

PRIVATE BILLS THIRD READINGS

Bill 13, an Act respecting a patent of West Virginia Pulp and Paper Company.—Hon. Mr. White (Pembroke).

Hon. Mr. DANDURAND.

Bill 26, an Act respecting a patent of Walter W. Williams.—Hon. Mr. White (Pembroke).

Bill 14, an Act respecting a patent of Edgeworth Greene (as amended).—Hon. Mr. White (Pembroke.)

Bill W3, an Act to change the name of "The Dominion Woman's Christian Temperance Union" to "Canadian National Woman's Christian Temperance Union."—Hon. Mr. Robertson.

Bill 10, an Act respecting the London Mutual Fire Insurance Company of Canada. —Hon. Mr Beique.

SPECIAL WAR REVENUE BILL THIRD READING

Bill 119, an Act to amend The Special War Revenue Act, 1915.—Hon. Mr. Dandurand.

TORONTO TERMINALS RAILWAY BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 143, an Act respecting the Toronto Terminals Railway Company.

He said: Honourable gentlemen will remember that last year we passed an Act respecting the Toronto Terminals Railway Company, by which the Canadian Pacific Railway and the Canadian National Railways joined together in the building of terminals. This Bill is for the purpose of altering to a certain extent the procedure which governs the calling of the meetings of the Terminals Railway Company. The amendment, as far as I can make out, will allow certain matters to be submitted to the shareholders in annual assembly, whereas before they were restricted to a special meeting of the shareholders.

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

FINLAND TRADE AGREEMENT BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 128, an Act respecting Trade between Canada and Finland.

He said: Honourable gentlemen, we gave some attention to this Treaty or agreement with Finland last year, and the fear was expressed by some that the passing of the Treaty would be detrimental to some important Canadian industries. The matter which was more especially stressed was the production of Kraft paper. It was stated also at that time that the importations from Finland were infinitesimal under all heads. As a matter of fact, the total value of goods imported into this country from Finland to March 31, 1924, was \$6,090; and the year ending March 31, 1925 showed a slight increase, the importations amounting to \$16,593. Our exports to Finland in the year ending March 31, 1924 were \$1,754,279, which decreased last year—though still remaining above the million mark—to \$1,038,009.

When we look at the things that Finland can export to Canada we find nothing to lead us to believe that Canadian interests will be injuriously affected to any degree. Our exporters are very much interested in trying to develop that trade, and last year they were fearful of some advantages being granted to our particular rival in that market, our neighbour to the south. Well may they have been fearful, for we find that on the 2nd of May, 1925, the United States and Finland, by an exchange of notes agreed to accord each other unconditional most favoured nation treatment. The part of the modus vivendi relating to import and export duties became effective on May 17, 1925, while all other matters in the agreement will become effective when the Finnish Government has notified the United States that it has taken the necessary legislative action. The agreement may be terminated after thirty days notice from either party or by mutual agreement.

According to information obtained from the United States Department of Commerce, the principal classes of commodities on which reduced conventional rates have been established in the Finnish tariff, and which are now extended to products of American origin are as follows:

Raisins, fruit conserves, confectionery, canned meats, fish, fruits and vegetables, prepared mustard, mineral waters, tobacco products other than eigars and cigarettes, certain textile fabrics of jute, wool and silk, lace and trimmings, knit goods of silk, rubberized silk fabrics, clothing of silk or trimmed with silk or embroidery, silk umbrellas, artificial flowers, bags, portfolios, etc.; certain wood manufactures, blanks for cards, labels, etc.; wall paper; certain manufactures of ivory, celluloid, etc.; footwear—

-in which we are specially interested-

-leather gloves, manufactures of gold, silver and platinum, table knives and forks with handles of ivory, gilt, silvered, etc.; gilt or silvered scissors, etc.; fire arms; vehicles of all kinds, and rubber tired wheels therefor, except vehicles for transporting timber and motor trucks; phonographs and other musical instruments-

---of which we export a considerable quantity---

--phonographs and other musical instruments, except pianos and organs; luxury articles of porcelain, perfumes and other things.

This is a warning to Canada to be on the alert to secure the most-favoured-nation treatment in Finland. We can get it by agreeing under a clause of a Treaty which has been made between Great Britain and Finland, which says:

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The stipulations of the present Treaty shall not be applicable to India or to any of His Britannic Majesty's self-governing dominions, colonies, possessions, or protectorates, unless notice is given by His Britannic Majesty's representative at Helsingfors of the desire of His Britannic Majesty that the said stipulations shall apply to any such territory.

Nevertheless, goods produced or manufactured in India or any of His Britannic Majesty's self-governing dominions, colonies, possessions or protectorates shall enjoy in Finland the same treatment as would be enjoyed by similar goods if produced or manufactured in the United Kingdom, so long as goods produced or manufactured in Finland are accorded in India or such self-governing dominion, colony possession or protectorate, treatment as favourable as that accorded to goods produced or manufactured in any other foreign country.

Under this clause to which we are adhering in virtue of the Bill now before the Senate, we will grant the most-favoured-nation treatment to Finland. This means that all kinds of paper which bear 25 per cent will be reduced to 20.25 per cent. Wood manufactures will be reduced from 25 per cent to Machinery, which is 27.50, will be 20.25. 22.50; boots and shoes, which bear 30 per cent, will be 27.50 per cent. As a matter of fact, the value of the kraft paper imported last year was only \$2,777, while our production of kraft, manila, mill, straw and wood manila and all other wrapping papers was \$7,666,174, of which we exported \$3,153,515. From this it will be seen that we are disposing of our kraft paper to the outside world to the tune of nearly 50 per cent, and that there is no very great danger, with a duty of 25 per cent, that Finland will increase its sales in the Canadian market.

Hon. C. P. BEAUBIEN: Honourable gentlemen, there is certainly no agreement so important as an agreement between two countries; and there is none so complicated and so far reaching in its effects or so difficult to judge as an agreement of this kind when presented simply in a few words.

I do not contend for one moment that this Treaty would not be favourable to Canada: but I think we must act with a great deal of prudence and, to the best of our ability get all the information we can to ascertain what will be the result of an agreement of this kind on the trade of Canada. I am rising now to suggest to my honourable friend the advisability of submitting this agreement to a Committee of the House-preferably the Committee on Banking and Commerceso that the officer of the Crown who made the agreement can give us all the information required, and also so that we may hear those whose trade may be affected and very seriously affected by a Treaty of this kind.

For my part, I do not attach a great deal of importance to the fact that we are allowed

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to participate in this agreement by means of a Treaty between Finland and Great Britain. Great Britain is a free trade country; when she says to another country: "We are going to give you the very best conditions," she gives nothing at all. As far as the British market is concerned, there is no protection; it is open to all nations of the world; and such a statement is really an invitation to another nation to come in with the rest of the nations of the universe. Great Britain has absolutely nothing to sacrifice, but we have a great deal to sacrifice; and whenever a Treaty of this kind is made, what is the consequence? The consequence is that the most-favoured-nation clause applies, which means that the Treaty with France is applied to every nation with which we make an agreement of this kind. And what, forsooth, with be the result if it is applied to every nation? It simply means that the tariff is reduced so much, that it is an indirect way of giving us freer trade all the time. I do not say that such is the purpose of this particular agreement. That will probably be the result. It seems to me that it is our duty to be perfectly well-informed, and the best way to obtain information for or against an agreement of this kind is to adopt the procedure ordinarily followed with contracts of much less importance than this, namely, to refer the proposal to a Committee and hear the evidence for and against it. Then we shall be in a much better position to decide.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I quite concur in what my honourable friend from Montarville (Hon. Mr. Beaubien) has observed in regard to this Treaty. At the last Session of Parliament we rejected this proposal by, I think, an almost unanimous vote. To permit the Treaty to pass without some intelligent consideration would be an unfavourable commentary upon the action taken by the Senate last year. There is no legislation about which we know less than foreign treaties.

Hon. Mr. BEAUBIEN: That is right.

Hon. Sir JAMES LOUGHEED: We have not the opportunity to familiarize ourselves with the reasons which have led to their negotiation. With the merits or demerits of domestic legislation we are of course in a position to become thoroughly acquainted. A presentation of a matter of this kind on the floor of the House is not satisfactory, although my honourable friend has submitted this treaty in a very able way. He may be Hon. Mr. BEAUBIEN. familiar with it himself, vet I have no doubt that if cross-examined upon the reasons which have led to its negotiation, he would find himself somewhat at sea. Sitting around a committee table with the officers of the department who are familiar with the subject the members of the Senate who are interested would become acquainted with the reasons which have led to the negotiations of this particular Treaty. I venture to say there is not an honourable member of this Chamber who could to-night form an intelligent conception of what it all means. None of us could give any information as to the origin of the Treaty and the displacement which must necessarily take place in our trade in Canada, whether the Treaty is to our advantage or to our disadvantage. I would therefore suggest to my honourable friend that, in view. of the desirability of our being more intimately acquainted with the merits of the case, this Bill should be referred to the Committee on Banking and Commerce, in order that we may hear the departmental officers who are familiar with it and thus understand what we are doing in either passing it or rejecting it.

Hon. Mr. DANDURAND: Honourable gentlemen, I readily admit that it is rather difficult for a body of men, on hearing a statement which is somewhat technical and covers a number of statistics, to grasp its purport. My intention was to follow the ordinary practice-to ask for the second reading of this Bill and then have it referred to Committee of the Whole, where I would be ready to answer questions and give information which would throw more light on the matter, and to submit all the documents and statistics in my possession. But I have no objection whatever to following the method suggested to me. It is a departure from the procedure of this House with reference to treaties and treaty making; but I realize that the Banking and Commerce Committee may be in a better position to obtain correct information from the officers of the various departments that have to do with these arrangements.

I desire to add only a word as to the merits of the Bill and the proposed arrangement with Finland. One must free himself from prejudices born of tradition. My honourable friend from Montarville fears a reduction of duty. He champions higher tariffs in this country, but I would point that if there is one consoling feature in the present economic situation in Canada it is the development of its foreign trade, which affords greater protection and greater prosperity to the manufacturers of this country. They have but a limited home market. They must look beyond it for the sale of their goods. When I see Finland importing nearly all the manufactured goods it needs, and when I see that its sales to us are insignificant and can be in only a few lines-I have before me a list of what Finland has been selling and I find that, as compared with \$6.000 worth which it sold to us, we sold to Finland in 1924 \$1,754,000 worth-I say, let not our manufacturers be If they have courage and if, as I afraid. think, they have vision, they will not be afraid of this country being invaded by imports of Kraft paper from Finland, as they were afraid Canada is producing Kraft paper last year. to the value of \$7,666,000 a year, and is exporting it to the outside world at the rate of \$3,153,000 worth annually. All that Finland sold to Canada during a period of ten months That was the only was \$2,777 worth. objection to the proposed Treaty last year That is what bulked large in the minds of some manufacturers of Kraft paper. But when I look at the list of articles that we are selling, I say that even if such a fear remains in the minds of the manufactures of Kraft paper, we ought to proceed to adopt this Treaty in order that the agricultural producers and the manufacturers in Canada may develop the Finland market, as they have been doing of late years.

Hon Sir JAMES LOUGHEED: We may become quite enthusiastic over the proposal when it comes out of Committee.

Hon. Mr. DANDURAND: Considerable protests were heard throughout the country at the rejection of this Treaty last Session. I am not complaining of the Senate's action. The Senate has the right to err. It does not claim infallibility. I do not suppose than any other House, even if its powers emanate from popular suffrage, claims infallibility. However, I will ask my honourable friends to come to the Committee on Banking and Commerce, to which I will move that this Bill be referred, and to come with an open mind and a desire to do that which is in the best interests of this country.

The motion was agreed to, and the Bill was read the second time, and was referred to the Standing Committee on Banking and Commerce.

NETHERLANDS CONVENTION BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 129, an Act respecting a certain Trade Convention between His Majesty and the Queen of the Netherlands.

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He said: Honourable gentlemen, a Convention of Commerce between Canada and the Netherlands was signed at Ottawa, July 11th, 1924. This Convention includes the Netherlands, the Netherlands Indies, Surinam, and Curacao.

The population of the Netherlands and possessions is as follows:

Netherlands	 	6,977,230
Java and Madura	 	35,017,200
The Island of Celebes	 	1,200,000
Sumatra	 	5,858,800
Borneo	 	2,000,000
Molucca Islands	 	560,000
Dutch West Indies	 	53,700
Dutch Guiana	 	113,181
Total	 	51,780,111

Hon. Mr. ROCHE: Is Borneo altogether under the dominion of the Netherlands?

Hon. Mr. DANDURAND: I am under the impression that it is not entirely, but I have here the statement that in the Netherlands' possession of Borneo there are two millions of people.

The customs tariff is low in all these countries. There are no treaty or convention rates lower than the general tariff. According to Dutch parliamentary papers, the desirability to introduce a system whereby it will be possible to discriminate in certain cases in customs matters (measures of retaliation) is being studied, and the matter will eventually be dealt with in a new separate law. This matter has not been provided for in the new customs tariff law.

The principal imports from the Netherlands into Canada are as follows: Cocoa butter, gin, plants, shrubs and nursery stock, tobacco, starch, pickled herrings, artificial silk, binder twine, railway bars, electric lamps, diamonds unset, aniline dyes, litharge, zinc white, glycerine for explosives, toys. On most of these items there is practically no difference between our general tariff rates and conventional rates.

The principal exports from Canada to the Netherlands are as follows: Wheat, wheat flour, oats, rye, oil cake, condensed milk, lard, electric vacuum cleaners, automobiles, nickel and asbestos.

The value of imports from the Netherlands into Canada for the year ended 31st March, 1924, was \$5,359,980; and for the year ended 31st March, 1925, \$5,077,323.

Value of exports (Canadian produce) exported to the Netherlands: For the year ended 31st March, 1924, \$9,488,881; for the year ended March, 1925, \$12,644,245.

There is a considerable trade between Canada and the Dutch possessions, especially with the Dutch East Indies. The imports into Canada from this country during the eleven months ended February, 1925, were valued at \$2,941,187 which was practically all sugar, coffee and tea—the treaty rates are the same as in the general tariff.

During the same period the principal exports from Canada to the Dutch possessions were rubber tires, canned salmon and automobiles. The total value was \$1,350,067.

The United States have a favoured-nation agreement with the Netherlands. Our exporters are very much concerned lest they should lose their market, which is developing, through some favours given by the Netherlands which they would not enjoy.

Under the present agreement Holland renounces the right—and I do not know to what extent it ever used it—to levy a duty on goods in transit. It had the right to tax goods passing through the Netherlands into Germany and other countries.

Hon. Mr. BEAUBIEN: That is provided for in every contract of that kind.

Hon. Mr. DANDURAND: I have here a statement-

Hon. Sir JAMES LOUGHEED: I would suggest that this Bill should go to the Banking and Commerce Committee, just the same as the other one. We can deal fully with those matters there.

Hon. Mr. DANDURAND: In order that my honourable friends may know the effect of this Treaty upon our Customs levy, I may state that during the fiscal year ending March 31st, 1925, on principal imports from the Netherlands of \$4,075,792, the reduction of duty under the intermediate tariff rates, as compared with the general tariff rates, was \$20,297.38; and under the treaty rates the reduction would have been \$28,094.80. Using the same ratio, on total importations of \$5,077,323, the reduction of duty under the intermediate tariff was \$25,373.72, and under the treaty rates \$35,093.50.

As for the Dutch colonies, the only reductions in duty would be from the Dutch East Indies, \$5,848.33 on shelled peanuts, and \$791.45 on sago and tapioca. The Treaty rates of duty on sago and tapioca are the same as under the intermediate tariff. The Netherlands already enjoy our intermediate tariff.

Hon. Mr. DANDURAND.

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

Hon. Mr. BEAUBIEN: I understand this Bill will be sent to the Committee on Banking and Commerce?

Hon. Mr. DANDURAND: Yes; I move that it be sent to that Committee.

Hon. Mr. BEAUBIEN: My honourable friend will understand that it is absolutely impossible to judge of the value of this Treaty so suddenly. I quite agree that it has some excellent points, and it is quite possible that it should be a very desirable Treaty for us; but my point is that it is the most important contract that we can make. We are binding all our producers and exporters —all of them, not one—and surely we should have every opportunity to ascertain what will be the result. We cannot take too much precaution to get information on the subject.

The motion was agreed to, and the Bill was referred to the Committee on Banking and Commerce.

The Senate adjourned until Thursday next, at 3 p.m.

THE SENATE

Thursday, June 4, 1925.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill W4, an Act respecting certain patents of Accounting and Tabulating Machine Corporation.—Hon. Mr. Griesbach.

Bill Y4, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Willoughby.

Bill Z4, an Act respecting a patent owned by the John E. Russell Company.—Hon. Mr. Belcourt.

DIVORCE BILL

FIRST READING

Bill X4, an Act for the relief of Frederick Ethelbert Shibley.—Hon. Mr. Willoughby.

CHICKEN HADDIE TRADE MARK

FURTHER REPLY TO INQUIRY

Hon. Mr. DANDURAND: I desire to communicate to the honourable gentleman from Prince Edward Island (Hon. Mr. McLean) a letter I have received from the Commissioner of Patents, Mr. George F. O'Halloran:

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I have just read in Hansard of the 2nd instant the report of the discussion on Senator McLean's question regarding the trade mark "Chicken Haddies."

After a trade mark is registered the Minister has no authority to vary or expunge the registration. The authority to do this is vested exclusively in the Exchequer Court by the Trade Mark and Design Act.

There has been a great deal of correspondence in regard to this trade mark in which the above explanation has been given.

Right Hon. Sir GEORGE E. FOSTER: Is it not true that the Minister of Justice may move in the matter if he thinks a wrong has been committed?

Hon. Mr. DANDURAND: The answer seems to be fairly emphatic on this point, but I will ask the Commissioner of Patents to examine anew the Act and see if there cannot be action taken by the Department of Justice.

Right Hon. Sir GEORGE E. FOSTER: I think there can.

Hon. Mr. DANDURAND: I would be somewhat surprised if there were such a discretion vested in the Minister of Justice; but if there is, his attention will be called to this matter.

CANADA'S POPULATION

INQUIRY AND DISCUSSION

Hon. C. P. BEAUBIEN rose in accordance with the following notice:

That he will call the attention of the Government to the regrettable falling off in the growth of the population of Canada, the causes and consequences thereof, and the urgent necessity of remedying the same, and inquire what action, if any, the Government propose to take.

He said: Honourable gentlemen, I am going to crave your indulgence for a few moments, to treat of a subject which I consider of paramount importance to Canada. I do not think the prosperity of individuals or the future of any people in any other country of the world can be said to be predicated upon one factor to such an extent as the prosperity and happiness of the people of Canada and the greatness of its future are predicated on the growth of the Canadian population.

In order to give what I believe to be the right proportions to the few remarks that I intend to make, I think perhaps it would be wise, first of all, to construct the frame in which those remarks find their place. We in Canada occupy a very peculiar situation. We are next to the greatest people in number and wealth, perhaps, that exists in the world, and certainly the most progressive. We have 3,000 miles of boundary, which is not a dividing line between the two countries, but a uniting line. Our people on the whole speak the same language and have the same customs as the people across the line, and they do their business in the same way. As the lesser is subject to the attraction of the greater, we are exposed to that tremendous influence which comes from the United States and overspreads our border. Every day we receive from the United States literature in every form, newspapers and periodicals; everywhere, all the time, the greatness, the advantages, and the seductions of this land lying close to us are brought to our attention in a very striking manner. Every day we have before us films exposing to our people idealistic images such as the film only can create, and everything imaginable is being done to paint the land of old Uncle Sam as the land of promise.

Do I exaggerate when I say that? I do not think I do. Will you allow me to read what Lord Newton said in the House of Lords about American films. Of course, what is true in London is doubly true here. This is taken from the New York Times:

Lord Newton, calling attention to the present state of the English film industry, asked for a departmental inquiry.

"The proportion of foreign films shown here amounts to 90 per cent and in the whole Empire 99," he said. "It has become practically impossible for British producers to compete with Americans. Americans realized, almost simultaneously with the cinema, the heaven-sent method of advertising themselves, their country, methods, wares, ideas and even language, and they seized on it as a method of persuading the whole world that America was really the only country that counted.

This is testimony given before the House of Lords in London, 3,000 miles away; we here, the next door neighbour of the United States, are much more exposed to the influence of this formidable propaganda.

Since Confederation, and prior to that time, up to the war, our financial centre had always been in London. Where is it to-day? In 1923, of the capital required to develop and build up this country, \$2,400,000 came from Great Britain. How much do you think came from the United States? No less than \$84,000,000. On that point, will you allow me to give you the testimony of a gentleman whom nobody in this House will doubt:

In his remarks delivered at Manchester University, Sir Robert Falconer, president of the University of Toronto, gave a graphic picture of the significant economic changes that had come over the international relations of Canada not only since the outbreak of the war but even in the last four or five years. In 1920 the amount of outside capital invested in Canada was \$450,000,000; to-day it is more than \$4,640,000,000.

Simultaneously the United States has been displacing Great Britain as the leading investor in the Dominion. By far the greater part of foreign capital invested there in 1900 was British; now American investment is at least equal to if not larger than that from Great Britain. Of the total investments in Canada's manufacturing industries, 58 per cent are owned by Canadians, ten per cent by residents of the United Kingdom and 31 per cent by Americans, whose holdings are valued at \$850,000,000. One fourth of all the foreign investments of the United States are in Canada.

What is true of investment is true of trade. Forty one per cent of the exports of Canada go to the United States, while only 34 per cent go to Great Britain. Two thirds of all the imports of Canada come from the United States; we sell to the British dominion, in fact, approximately four times as much in value as the mother country does.

This state of affairs is always geographically inevit-Connected by 3,000 miles of border line it is able. idle to suppose that the economic relations of Canada and the United States can be less in volume than those between Canada and an island separated by 2,000 miles of sea.

This enunciation of opinion by Sir Robert Falconer brings me exactly to the point where I want to begin my argument. It is due to no fault of anybody that the conditions with which we are faced to-day exist . it is inevitable. We are the lesser country, and lie alongside a much greater one with a tremendous line of contact. Geographically that is the situation. May I add one word by saying what is the political situation? I shall not insist on that score except to ask you this: have you ever before this heard such an open expression from certain parts of the country in criticism of the manner in which Confederation has been applied to certain provinces?

Another question I am going to ask you, quite frankly, if you will allow me: in your conversations with those whom you know best, and those in a position best to judge the situation, have you not had a heart-toheart exchange of opinion as to Canada's present condition and future position in relation to the United States? Those of you who have had such conversations know what it means: in a word-let us say it-a real serious anxiety as to the integrity of Canada.

I have had some misgivings as to speaking as I am going to do before this House, because it is not good advertising for Canada; but I am impelled by this thought: if the real conditions are not known, particularly in my province, what is going to happen?

Last Session, I think it was, the Prime Minister of this country, in another place, stated that Canada was facing three alternatives-the status quo, independence, or annexation to the United States. My memory may be short, but I think it is the first time that ever in the Parliament of Canada annexation to the United States was openly admitted as a possibility.

The background for my remarks having been laid before you, so that I do not have to come back to this subject, I beg to submit to you, honourable gentlemen, as a jury, a series of facts. Allow me, then, to proceed.

Hon. Mr. BEAUBIEN.

A great deal has been said about emigration from Canada to the United States; but I have observed that in another place the members did not seem to agree as to the losses Canada had made within recent years. Strange to say, on a subject vital to Canada we have absolutely no efficient control. Every time we lose one Canadian it is a terrible loss, because I hold that no two foreigners can replace on our soil one Canadian who leaves the land. We have all sorts of mechanism, an organized army to stop every foreigner at the frontier and look him over, take his temperature, his place of birth, etc.; but there is no such control whatsoever as to the flesh and blood that leaves us. Yet is it not true that it is twice as important for Canada to know the hemorrhage that is bleeding us white, than to find out on what infusion we can count to rebuild our constant loss of vitality.

Perhaps, honourable gentlemen, you may think that this would be an expensive and difficult thing. Not at all. We have officers at the frontier, and so have the Americans. Our officials have only to consult the American sheets on which is registered every Canadian who goes out, and we could have a full picture, and a complete and perfect picture, every night if we so wanted, of our emigration, and it would not cost us one cent more in administrative expense. Why, may I ask, has the Government neglected to control the loss that we are making of our own citizens?

Hon. Mr. DANDURAND: I think the control was established last year, the first time since 1867.

Hon. Mr. BEAUBIEN: There exists no such control that I know of, though I stand subject to correction. In the other House two opinions were held as to our losses last year. How were the losses calculated? From our official reports? Nothing of the kind. Why, we had to get the members of Parliament, and even the Ministers, to journey to Washington, take off their hats, and ask the Departments at Washington to be good enough to open their books and prepare statistics for us. Nothing else was available, and the discussion in the other House dealt only with the interpretation and appreciation of the American statistics.

What do those members say? One member of Parliament contended that the loss we suffered last year was 181,000, and on the other hand a member of the Cabinet contended that the loss was only 165,000. In the previous year the one gentleman contended that the loss was 103,000, while the other held it was only 83,000. So that, after all, putting conditions as favourably as they can be, our loss in 1923 was over 83,000, and in 1924 was over 165,000.

Now, the question I want to put to the Senate is this: is that a true picture? There is no better method of judging the statistics given to us from Washington than by confronting them with our own statistics. That is what I have done. Everybody knows what a cruel disappointment to us was the result of the census of 1921. What did our own census of 1921 reveal? It showed that in 1911 our population was 7,206,000. In the decade that followed we had, by immigration-every one of the incomers being controlled-received no less than 1,975,000 people. Our natural in-crease, calculated at the lowest possible average, 23 and a fraction per thousand, gave us an additional increment of 1,880,000-all in round figures. We should have found that in ten years Canada had increased to the tune of about 4,000,000; but what was the real increase found at the expiry of this decade? Was it 4.000.000? Was it 50 per cent of that? No; our increase was but 1,500,000.

Now, let us revert to the only information open to us-the statistics of the United States. What do the American statistics reveal as to the movement of our population to the American republic within those ten years? The figures show that 742,000 emigrated. We have lost nearly 2,500,000 people, and everybody knows that they went south. Yet the American statistics show three quarters of a million. How can we explain that? Verv simply. The American statistics take in only the Canadian-born-that is the first explanation; and besides, there is a frightful invisible loss from people being smuggled across the frontier. Therefore we have conclusive evidence that this figure of 742,000 must be multiplied by three; and when we do so multiply it by three we do not in the last exaggerate. So during those ten years we have lost about 2,500,000 of our people, or, to make it absolutely exact-I have the figures here-2,273,000, which means an average of 227,000 people every year.

I am going to put this question to honourable gentlemen: during those ten years from 1911 to 1921 was there ever a cry raised in the land against emigration to the United States? Not that I know of. And still we have the brutal, the absolutely irrefutable proof, that during those ten years we lost, every year, nearly a quarter of a million people—227,000. Still nobody was anxious; nobody even noticed it.

But what has happened within the last two years? Why has there been such a cry all over the land? Why? Because our people were going by the train-load to the United States; why, we have seen in Quebec the provincial Government straining all its efforts to stem the tide. We have seen the whole of the clergy in my province raising their voice in alarm, why? It was because the movement in 1923 and 1924 was very much more serious than it had ever been. And I put it to you, what reason is there to-day to apply a different basis of appreciation to the statistics of the United States for 1923 and 1924 than for the decade from 1911 to 1921? I do not know of any. If it is true that those figures had to be multiplied by three within that decade in order to reflect the truth, why should they not be multiplied, likewise to-day for the last two years? Is there any reason calling for a different formula? I do not know of any, and I feel quite satisfied that there is no such reason.

Now, let us apply that multiplication to the losses that we have suffered-which, unhappily, will give us absolutely the truth, and nothing else. What does it mean? I say that it means a frightful state of things. Listen to this: In 1923 we lost 102,520, multiplied by three, or 307,560. In 1924, 181,194, multiplied by three, or 543,582. Let us go beyond these figures. How many immigrants of the French tongue have crossed the line during the last two years? During 1923 and 1924 togetherthese figures are also taken from American statistics,-there were 74,116, which have to be multiplied by three, or 222,348. I believe that the French race in this land is an asset. I think a great many of my colleagues here will admit that while the province of Quebec has its faults, it acts as a great stabilizer upon Confederation; its people possessing the good, solid qualities so precious in the making of a big nation, stable, deeply attached to the soil, happy and law-abiding; and within these last years, more especially, those qualities have been generally recognized. Now, where can the French in this country make up their loss? There is no French immigration at all. none that will come from France, which needs every one of its children; none to come from Belgium. On the shores of the St. Lawrence we are alone, and we have to preserve our blood if we want to fill our part in the making of this Confederation, jointly with the other races, and especially with the British race that inhabits the country.

I took upon myself to write and obtain information from the people best informed in my Province, the parish priests of Quebec. The parish is the fundamental cell of the French race in Canada. The curate is not only the head of the parish, he is the father of his flock; he is with them when they are sick; with them, forsooth, when they come to this world and when they depart from it; therefore he knows better than anybody else the movement of the population entrusted to him. Will you allow me to read a few of those letters. Here is one datel May 6th, 1925:

St. Aimé, Co. Richelieu, May 6, 1925. Honourable Sir:-

I am particularly pleased to answer to your letter of the 23rd of April last. I hope that you will receive from the different parishes sufficient information to throw the light upon this ominous problem of the desertion of Canadians. I trust that your efforts may be useful.

Here are the statistics of the emigration of my parishioners to the United States.

44 families forming a total of..... 214 souls Young men from other families..... 30 souls

That is, for the two years 1923 and 1924.

If my enquiry went back four or five years ago, the statistics would show that the real local situation is still more alarming. In fact, this rural parish which, in normal times, counted more than 400 families, was registered in October 1924 as containing only 288 families.

We are in complete disorganization. If things go on, we will be facing ruin.

Please note that of these 44 families which have left for the United States, only one has returned. There is nothing at all in this "coming back home" movement, of which certain newspapers speak so much.

On the other side, for those who know the general state of depression among the farmers, it is not unreasonable to fear a revival of the exodus of our families, should there be a betterment of the working conditions in the cotton mills of the United States.

I wish to thank you for having given me the opportunity to furnish you with the statistics above referred to.

Here is another one. I hold all these letters at the disposal of honourable gentlemen who may wish to peruse them. I do not know to what extent I should give the names. Anybody can see them if he wishes.

Right Hon. Sir GEORGE E. FOSTER: It is not necessary, I should say.

Hon. Mr. BEAUBIEN: This is from another parish and is dated May 5th of this year:

Honourable Sir :--

From every point of view, the departure of our families for the United States is a disaster. You are perfectly right in taking the matter up.

Here, in the town, it is lack of work that prompts my fellow citizens to cross the border. I don't have to worry about the farmers.

I wanted letters from cities as well as from the country.

After looking through my books, I have come to the conclusion that 125 families have left my parish during the last two years.

Hon. Mr. BEAUBIEN.

It seems to me that instead of spending so much money to bring in foreigners, the best policy would be to take means to keep in Canada our own Canadians.

Here is another letter:

Honourable Sir :--

In all the county of Richelieu, the parish of has suffered the most from the emigration to the United States. In 1922, there was about 150 families in my parish forming a total of 750 and in Section 1004

parish forming a total of 750 souls; in September 1924, there was 110 families forming a total of 566 persons. More than 40 families, the most populous, have left their farm, and have gone to the industrial centers of the United States.

Here is another one:

Honourable Sir :--

Replying to your letter, I wish to state that ten families in my parish have left for the United States in 1923 and 5 in 1924. Moreover, twenty young men have also left and to live there. It makes in all for my little parish alone, a lost of 100 persons. Half of the farms are deserted, and our Canadians are going to the United States to work in the paper mills—the wood coming from our own forests.

When there is no work in the cotton and wool mills, there are the pulp-mills, and the state of Maine is draining our Canadians who cannot find work here.

And another one, dated the 20th of May: Honourable Sir:--

Replying to your letter of the 23rd of April last, I beg to state that since two years, in my parish which comprised 1,580 souls, 155 have left for the United States. This is small if compared with the exodus of the preceeding years. To-day if it was not of the difficulty of passing through line 45th, the number of my parishioners would be diminished by a third. It is in fact a disaster, and we are wondering whether the ill can be remedied.

In devoting yourself to this question, you are doing national and patriotic work...

Here is a letter dated the 24th of May: Honourable Sir:--

Replying to your very interesting letter of the 23rd of April last, I was inclined to shout: Bravo! for we are going to the ruin of our dear province of Quebec, and it is time that our leaders wake up to face the danger.

I do not know the situation in the other provinces, but in our ours, there is but one problem to solve, that of keeping our people on their lands. This problem is the most important, as all others depends on it.

I have been parish priest of—for a few months only. I have visited all my parishioners (about 200 families) and you would have been surprised, if in my place, you would have come in such close contact with them. The farmers think that they are baffled by the other classes of society, their credit is diminished and their work not well paid for. Moreover, they are afraid of the heavy obligations of their family.

As far as emigration is concerned, we are told that it is stopped. Yes, on one side, and no, on the other. Many in my parish would leave for the U.S. if they could sell their farms or rent them favorably. Besides, they would have to give away their agricultural implements, and lastly, they know that they would have to work very hard for a living on the other side of the border. This is why the desertion of our farms seems to be lessened.

I cannot give you exactly the number of families which have left my parish in 1923 and 1923, but referring to the books of the preceeding parish-priests, I find that the population is the same as it was twenty years ago, that is, thirty families have left in the last few years. Honourable Sir :-

I beg to acknowledge recept of your letter, received yesterday.

In 1923 and in 1924, twenty-five families have left my parish for the United States, i.e., in all 151 souls. It is considerable on a total of 250 families: it is onetenth of the population.

However, I find that some parishes have suffered more than mine of this score. Here, at —, we are at a distance of only five miles from Shawinigan Falls where our people find an easy and paying market, and in the industries, advantageous work. Nevertheless, I have been unable to prevent these twenty-five families from leaving the country.

Tell our French-Canadian senators and deputies that they are under heavy responsibility to our compatriotes and, in fact to history. Tell them that we rely on their essential support, and that if they do defend us, on whom can we rely to do so? We priests certainly wish to do our share of the

We priests certainly wish to do our share of the work, but our representatives at the House and at the Senate are the leaders, and we have the right to ask them to stop emigration to the United States, if we want to keep our language and our institutions, and our influence in our beautiful Canada.

There is another letter, of the 18th of May: Honourable Sir:-

Three families have left for the United States in 1923-24. They are farmers who, being unable to meet their payments (as they are in the class of those who cannot make any money to-day, as their products are sold at an extremely low price) are leaving for the United States, after having given away their farms and the instalments already paid on them, or go and work in the American factories to raise enough money to keep their properties. The trouble is that the Government does not bother finding a market for the sale of the products of the farmers, who being discouraged leave for the United States. If the situation is not bettered, a great number of our good farmers will be in the necessity of leaving their farms to go and work for a living in the American cities, or in the Canadian towns.

I have a lot more to say on the subject. If I were in Ottawa, I could easily explain the situation of some of our farmers in the county of Rimouski, at least, to our public men.

There is another one, dated May 8th:

Honourable Sir :--

In reply to your letter of the 1st of May, I beg to state that in 1923, one family only left for the United States, and 2 in 1924.

The reason is that there are nearly all there. Of a population exceeding 225 families, only 114 are still remaining here.

I must confess that I am more than anxious to see the barrier raised high enough.

I could go on, honourable gentlemen, but I do not want to weary the House. The question that will arise in the minds of all is this: "It is of course lamentable that we should be obliged to record such a loss, but do we not, after all, make it up? Do we not receive strangers? Strangers are not as good as our own children. But what is the real truth about immigration?" The figures are rather depressing.

In 1923, honourable gentlemen, we received 137,320 immigrants; in 1924 we received 124,-550. In the three months, January, February and March, 1925, we received 10,792, as compared with 23,880 received in the corresponding three months of last year: A falling off of something like 60 per cent.

Our emigration loss for 1924 was 543,000; our gain by immigration was 124,000; our net loss was 419,000.

The question naturally comes to your mind, how many of the immigrants have come to Canada simply as a jumping-off point for the United States? Within the last decade practically all of them, or a number equal to all of them, have left us, plus a substantial portion of our natural increase.

Honourable gentlemen, how much has the Government spent on immigration? Last year it spent \$3,800,000. The two railways together spent last year, in round figures, about \$3,000,000. There has been taken from this country, directly or indirectly, no less than \$6,000,000 of our money, and as against that we have to register a loss of over 400,-000 people.

Hon. Mr. CASGRAIN: Not in one year.

Hon. Mr. BEAUBIEN: In one year—in 1924.

Now, honourable gentlemen, may I confirm this by going a little further? Is anybody in this country bothering about immigra-tion? Have we a Minister of Immigration? Have we a policy of immigration? Everyone knows that last year it was trumpeted all over the land that we were to get 3,000 selected families, all from the British Isles, to go upon our farms. What has happened? The scheme has fallen down absolutely. We have not received that number by any means. The number we have received is 500. The purpose was to fill the farms abandoned by soldiers located on them under the Civil Reestablishment Department. What did the Government say then? It turned to the railways and said: "Give us some continental families." Each railway was allowed to select 600 families. What has been the result? That scheme too has failed-why? On account of restrictions in the admission of immigrants to this country. The immigrant is obliged to have a certain sum of money-I think it is \$500. Of that amount the Government takes \$400 saying, "We are going to administer this for you," and it keeps the \$400 belonging to the immigrant. That procedure is interpreted all over the world as a tax on the entry of immigrants, and therefore our immigration, in its result, has practically broken down.

One thing that surprises me above all else is that there are in this country associations like those of the farmers of the West, who have been against immigration. Hon. Mr. CASGRAIN: They are against immigration?

Hon. Mr. BEAUBIEN: Yes, associations of farmers in the West have been against the encouragement of immigration to this country,—why? There are, I must say, a great many things I do not understand in the policy followed by a certain group in this country, but this one is to my mind the most extraordinary and extravagant of all. In this country, where we have over 400,000,000 of acres of arable land to be disposed of, and only 15 per cent under cultivation, and where everything is predicated on the growth of population—in this country, strange as it may be, some of the farmers are opposed to the increase of their numbers.

But, honourable gentlemen, I am not here to lay the blame. If that were my only purpose, my speech would be worthy of condemnation. No: I am ready to admit that in the past we have had our part of the responsibility for this state of things. Parties are not perfect. They are composed of human beings, and human machinery is always lacking somewhat. But I am coming to this point. Now that we know the trouble we are suffering from and the dire consequences of it, if we do not correct it we are remiss in our duty. May I address myself to my own Province through this House? I must admit that my Province has heavy responsibility to bear. Without it the present administration would not live ten minutes. Without it no policy could be even attempted by the Administration. In view of this situation may I not address my friends from the other side and say: Take heed while there is yet time. If you do not believe me, I can point out to you dozens of persons whom you will believe. Ask them to tell you what they believe in their conscience as to the future of this country if conditions are not improved. Conviction will very soon make its way through your brain to your heart. And my I say to you-and I appologize for it-there are remedies, but they must be applied now. I am going to mention one that no doubt will make you smile, but nevertheless it is sound: "Why don't you keep our market for our own people?" Yes, plain protection is what I mean.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. BEAUBIEN: There is nothing my honourable friends opposite can use so well as the weapon of ridicule. If you despatch the arrow of wit, which will raise a ripple of laughter over the country, the policy attacked is nailed and the man who upholds it is slaughtered. I shall not endeavor to Hon. Mr. BEAUBIEN. demonstrate what the policy of protection could do for the cities-

Hon. Mr. TURRIFF: We know what it has done.

Hon. Mr. BEAUBIEN: -although I might succumb to the temptation of reading one thing, perhaps. We know, after all, that necessity works miracles, and if my honourable friends opposite should on account of present alarming conditions be susceptible of finding their road to Damascus, perhaps they might read with profit the following resolution adopted yesterday by the Canadian Manufacturers' Association. Although you do not hold that manufacturers are a very desirable element of the community, you forget perhaps that one-third of the population live through their efforts, and that their products go beyond the three billion dollar mark, whilst the products of the farm do not exceed one and a half billion. Is that not a title to consideration, is that not a reason, after all, why one's voice should be heard and one's arguments weighed in a Chamber like this? This is the resolution which was adopted:

That a strong and stable fiscal policy is absolutely necessary for the national development of Canada and the welfare of the entire population; that the provision of adequate tariff protection for all forms of Canadian production should be the cornerstone of Canada's fiscal system; that such a policy would bind together more firmly the provinces of Canada, attract capital, commercialize national resources, strenghten existing industries, and create new industries raise revenue, encourage immigration, provide employment, increase traffic through national ports, furnish passengers and freight for transportation systems, lower freight rates and make farming more profitable by providing a larger market for farm products.

And now I am going to make bold to give my honourable friends on the other side of the House another authority: this time I am going to speak of the farmer. In the policy of the Government, the farmer apparently occupies a very large place, and the argument generally goes like this: "Why, we are curbing the manufactures and forcing them to reduce their prices; my friends, it is for you, so that you can purchase everything at cheaper prices." That is the argument. But may I call the attention of my honourable friends on the other side to an authority on agriculture-at all events, in the Province of Quebec-an authority that they will not dispute? What does the Minister of Agriculture of the Quebec government say? The Hon. Mr. Caron, in making a speech before the Reform Club in Montreal a few weeks ago, thought it necessary to remind his friends at Ottawa of the necessity of protecting the farmer. Here is the newspaper item reproducing his speech:

Protect farmer in home market, Minister urges-Canadian tariff should equal U.S. rates on produce,

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says Hon. J. E. Caron—Problem can best be solved by going to source—Danger for P.Q. cheese in English market.

Then this follows:

Protection for the Canadian farmer against the inroads of American agricultural products into Canada by raising the Canadian tariff to the same extent as the American tariff had been raised against Canadian products, was the plea which Hon. J. E. Caron, minister of agriculture made at the Saturday luncheon of the Reform Club. Hon. Mr. Caron, in addition to speaking of matters political, an account of which will be found elsewhere in this issue, reviewed the agricultural position in the province in a manner which held the close attention of the large audience which occupied all available space of the club rooms.

It is in the country, near to hand, that the markets for industry lies. The farmer is your buyer. The tariffs are against the farmers. While the Canadian tariff has remained the same as it was as to American products, the United States raised their barriers to such an extent that we are practically shut out of that country. The Americans can sell their butter to us with a tariff of four cents a pound, and our butter is shut out of the United States by their tariff, and, while I believe in reciprocity—

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. BEAUBIEN: I will have to read that again:

And, while I believe in reciprocity, I do claim that until we get reciprocity we should raise our tariff on agricultural products as high as is the tariff of the United States on similar articles, so as to protect the Canadian farmer, who has a right to protection. It may be that if Ottawa raises the tariff against American agricultural products it will aid in bringing reciprocity more quickly than otherwise would be the case.

Now, honourable gentlemen, perhaps you think the honourable Minister of Agriculture in Quebec is a freak; but what about the honourable the Prime Minister of Quebec, and what about the honourable Mr. David? May I read—I dearly love to put this evidence on record—an article from that esteemed paper called the Gazette, which appeared in to-day's issue:

The Liberal party in Quebec presents a curious contradiction in fiscal views. While the representatives of the province were unanimously voting in the House of Commons against the principle of protection, a Minister of the local Government was extolling in Montreal the virtues of that policy. Hon. Mr. Tas-chereau is an avowed protectionist; he both preaches and practises the doctrine and has translated into legislation his beliefs. The vast resources of the province he would conserve for Canadian use, its water powers, its forests, and its mines, in order that employment be given the people, and industries be developed to the utmost limit. Hon. Mr. David, Provincial Secretary, who grows in public esteem, is of the same fiscal faith as his leader. He is a thorough protectionist. Speaking in Montreal on Tuesday evening, Mr. David stressed the necessity of preserving the water powers and forests of the province for Canadian use and not to be employed to the gain of foreigners; while, as to the merchants, Mr. David wondered whether they were always to have to face competition from goods which did not represent what they purported to represent, and thereby constituted disloyal competition against some national industries of Canada. He urged encouragement of the purchase of "made in Canada" goods, but if the tariff is so framed as to prromote importation of foreign wares how can home production succeed?

There you have three of the most influential members of the Liberal Government of Quebec, with the Prime Minister at their head, clamouring for protection. Do you care to know the reason why? There is a little piece of news that may enlighten you somewhat:

Farmers of the province of Quebec are facing a loss of about \$1,500,000 this year because they have been unable to get rid of about 4,000 cars of potatoes or have had to sell part of the production at very low prices.

So serious is the situation that Ottawa will be asked to take some means of protecting the farmers against a repetition of such a condition. A Quebec delegation will soon wait on the federal government.

Official information shows that, for instance, in St. Luce of Rimouski county, which is known as one of the most important potato production centres in the province, potatoes are bought at 25 cents per bag.

Last year the prices varied between 85 cents to \$1.10 in the cities. It is stated that \$835,498 worth of potatoes have been imported from the United States into Canada, which is equal to 62,091,945 pounds. It is understood some suggestions have been made in Ottawa towards an embargo on potatoes coming in from the United States and that Premier Taschereau seems also to favor this.

I have more material on the subject, but I am not going to give it. I have made my argument as clear as I could. From the farmer up—for all Canadians—let us keep our own markets. By doing that we keep our own children. That, honourable gentlemen, must be the foundation either of the success or of the failure of Canada.

May I now briefly make a suggestion? A few months ago, honourable gentlemen, in Montreal I heard General Dawes, who is at the head of the Budget Bureau of the United States. In a half-hour speech he explained admirably how the expenses of the United States Government within the last two years had been reduced by half-and why? Because the principle underlying the apportionment of money had been changed: instead of going to the different departments, as had been the practice in the past, and saying, "How much do you want?" they went to the different departments and said: "This is what we can give you; we have to live within our means and not beyond them, and you will have to do the best you can with what we give you." Is that not common sense? How long can we continue to spend as we do? How long can we continue to increase our debt and still bear it? I hold, honourable gentlemen, that now is the time for us to sink or swim; and we will only swim if we can get rid of the sinkers that are accumulating so rapidly around our necks.

In this regard may I also refer to the railway problem? For those who have heard the remarkable evidence given before the Special Committee of this House on Railway Expenditures, there is in my opinion but one conclusion to be drawn, namely, to sell the National Railway. Sell it; let us make our loss now, with the chance of recouping later on what we can of it. But, honourable gentlemen, if we continue to be bled on that score, as we have been in the past; we cannot swim much longer and must sink. As time goes by it will be more and more difficult to sell our railway, because the Canadian National is carrying on a formidable propaganda in favour of government ownership. Everybody knows that. Why, honourable gentlemen, it is being drilled into the minds of the people: "Keep your own railway; encourage your own railway; pay fares to yourselves." And when the day comes when Canada will have to sell its railway-

Hon. Mr. POIRIER: To whom?

Hon. Mr. BEAUBIEN: My honourable friend was not at the Committee, but it was shown there that the Canadian National has an earning capacity now of \$20,000,000 a year. At 5 per cen' .hat means \$400,000,000, and I understood, and I think every honourable gentleman present understood, that there was a possibility of sale on this basis with an opportunity of making up later part of our loss, by a participation in future profits.

But let me go beyond that. I want to say to the honourable gentlemen on the other side of the House that in my humble opinion we must cease throwing our market away to other nations. Why, to-day we are giving to Switzerland, without any rhyme or reason, \$17,000,000 of our trade. Is that reasonable? Switzerland is an industrious little island, practically, in the heart of Europe. It is a free trade country, and can offer us no advantage whatever. Within the last ten or fifteen years every time a Swiss has bought one dollar's worth of goods from Canada we, in return have bought from Switzerland from ten to fifteen times as much. We have a frightful adverse balance from Switzerland every year. Every bit of trade that we would withdraw from Switzerland we could bargain away to other countries at a tremendous profit. My honourable friend the leader of the House could go with that trade to Belgium and France and obtain a very substantial reduction for our own goods; yet the days, months, and years go, and that trade is a loss to us without any consideration. People leave the country because, forsooth, they Hon. Mr. BEAUBIEN.

cannot sell their products; yet we buy Swiss products. Is that reasonable?

I have drawn a pretty dark picture. Everyone who is sincere will say, that it must be a dark picture, and I have left it in its true colours. I want my own compatriots to see it; otherwise my appeal will be lost. The naked sombre truth must be seen now, for if not seen now it will be too late. Canadians must rise above party affiliations. Now is the time for them to think about the country and its future. Will they do it?

What a future there is in store for us, after all; we cannot forget it. We have got the richest country in the world in natural re-sources. Think of it: 13,000 miles of fishing coast line, nearly half the belt of the whole world. Where do you find forests like ours? We have a million acres of forest, half a million of that covered with excellent timber. We have reserves of coal greater by 60 per cent than all the coal reserves of Europe. There is only one country in the world richer than Canada in coal: it is the United States. Where can you find hydro-electric power like ours-19,000,000 horse-power, capable of developing 41,000,000? Where have you seen such a race as ours, after all; in time of peace or time of war? What have we done in industry in developing and administering this enormous domain of ours? We have raised ourselves, by our per capita production, to the first rank among the people of the world. For several years we were the first people in the world for exportation per head.

Will you allow me just to show you what we have done? With half of one per cent of the population of the world, this is what Canada has done. It has produced:

90 per cent of the cobalt of the world.

- 88 per cent of the asbestos of the world.85 per cent of the nickel of the world.
- 32 per cent of the pulpwood of the world.
- 20 per cent of the construction wood of the world.
- 20 per cent of the canned fish of the world.
- 18 per cent of the oats of the world.
- 15 per cent of the potatoes of the world.
- 12 per cent of the silver of the world.
- 11.5 per cent of the wheat of the world.
- 11 per cent of the barley of the world. 4
- per cent of the gold of the world. 4 per cent of the copper of the world.

All that produced by half of one per cent of the population of the world. Well, with past accomplishments such as these, with the backing of our tremendous natural resources, with the temper of our people, can we not, pointing to the truth, call upon the nation to rise in its might and constrain the Government to lead us to our lofty destinies but, forsooth, not across the line?

Hon. G. D. ROBERTSON: Honourable gentlemen, the subject that the honourable gentleman from Montarville (Hon. Mr. Beaubien) has introduced this afternoon is of such vital importance to our country that I feel it merits a still further discussion from a wider viewpoint and from more widely spread parts of the country than my honourable friend has referred to in detail.

Some weeks ago, when the budget was under discussion in another place, emigration was discussed to some extent, and I think the House and the country were amazed at statements made by certain Ministers of the Crown on the subject of emigration and immigration, particularly that of emigration of Canadian people to the Unied States.

Immediately following that occasion, some inquiries came to me respecting the correctness of the statements, and, anticipating that it might become a topic of discussion, and not desiring to assume to express merely my own views as the facts, I communicated with a substantial number of men throughout the country representing the working classes, who have largely been the victims of this tide of emigration. I am not going to deluge the House with the replies, because it would take a couple of days to put them on record, but I want for a few moments to supplement what my honourable friend from Montarville has said with reference to this difficulty. My honourable friend the leader of the Government interjected the remark that the Government last year took steps to stem this tide of emigration from Canada.

Hon. Mr. DANDURAND: No, my remark did not bear on that; it was on a system of control as to the passing of emigrants across the line. I know that some regulations were adopted last year which were new in Canada since Confederation, but I have sent for those regulations to ascertain exactly what they are.

Hon. Mr. ROBERTSON: I have had opportunity to get at the facts, and I find them to be about as follows: that in 1923 some honourable members of Parilament became interested in the question of the unusual exodus of Canadian people to the United States, and began to gather information, which they had to obtain from American records. When those figures were brought to the attention of Parliament, and were found in 1924 to be constantly increasing, the Government of the day did take cognizance of the situation, and I am informed made some representations to the United States Government which resulted in added restrictions and new regulations being adopted.

Prior to July 1st, 1924, a Canadian going to the United States was required to pay a head tax of \$8. After that date a Canadian citizen was required, in addition to paying the \$8, to go to the nearest United States Consul and make certain affidavits, for which he paid that official \$10: then he could go to the border and make application for entry into the United States. Very few of the prospective emigrants knew of these regulations for many months. I have personal knowledge of some cases.

I may mention one case from a near-by town, Cornwall, which is only 50 miles from Ottawa. This man, with his wife and four children, went to Windsor in order to cross into the United States at Detroit. He was not permitted to go before the United States Consul at Windsor and take his affidavits and get his papers, because the regulations required that that must be done at the office of the Consul nearest to his place of residence. He was therefore forced to leave his wife and children at a hotel at Windsor, and return to Cornwall in order to get the necessary papers, and he had to pay his transportation expenses as well as the cost of maintaining his wife and family meanwhile, in addition to the tax of \$10. That is a sample of the benefit to Canadian citizens from the new regulations. which I do not think have had the effect of restricting emigration to the United States.

A news dispatch appearing in the Montreal Standard of March 19 states that from July 1, 1924 to January 31, 1925, a period of 7 months, 72,371 Canadian citizens went to the United States. This means a cost to them, in cash, of \$723,000, in addition to the head tax that was formerly imposed.

Hon. Mr. DANDURAND: Surely my honourable friend does not complain of that?

Hon. Mr. ROBERTSON: I complain that the increased restrictions which were imposed by the American authorities at the instigation of the Government of Canada have had the effect, within those 7 months, of putting into the treasury of the United States Government three-quarters of a million dollars, taken out of the pockets of Canadian citizens without the least benefit to the citizens involved.

Hon. Mr. DANDURAND: But that was an impediment to their leaving Canada.

Hon. Mr. ROBERTSON: Certainly; but I ask the House if that is the proper method of attempting to remove the difficulty. If a restriction of \$1,000 were imposed, the principle would be the same, and it would absolutely prevent a Canadian citizen, unable to obtain employment and make a living for his dependents here, from going where he could do so. I question if the people of Canada would approve of any such policy, and I say that the one that has been adopted is exactly the same in principle as that would have been.

Hon. Mr. DANDURAND: But the quota was established on the American side.

Hon. Mr. ROBERTSON: This is entirely apart from the quota law. The quota has been, since some time in January, 1924, imposed against all non-Canadian-born citizens. Although they may be naturalized Canadian citizens, they cannot go into the United States. I will give my honourable friend a concrete case. There is a part of the Canadian National railway between Winnipeg and Fort William that runs for about 50 miles through the State of Minnesota, around the south shore of the Lake of the Woods-what is known as the Port Arthur and Winnipeg division of the railway. In that 50 miles there are four or five stations, each of which has one or two, sometimes three, men employed. As it is a part of the Canadian division, those men take their promotion and seniority rates from point to point. In a recent instance, a telegraph operator had, under an agreement with the railway company, the right to take a certain station. He was a Canadian-born citizen, but his wife unfortunately, was born in some other country. He was promoted to go down there and take the job, but his wife could not got with him because of those restrictions.

Hon. Mr. DANDURAND: I commend the restrictions.

Hon. Mr. ROBERTSON: Very well, if that is my honourable friend's view.

Hon. Mr. DANDURAND: If it prevents Canadians from crossing over the border.

Hon. Mr. TURRIFF: Is my honourable friend certain that it was the Canadian Government that asked the American Government to put on that additional tax of \$10 for the certificate from the American Consul?

Hon. Mr. ROBERTSON: I can give my honourable friend some information in that connection. In the instance of the man from Cornwall who went to Detroit, and in some other instances of a similar nature that I know of, at the same port, the emigrants who were inconvenienced in that way were told by the American immigration officers at Detroit: "This is no fault of ours, or of the American Government, but it is because of a request made last June by the Government of Can-Hon. Mr. ROBERTSON. ada to Washington." Honourable gentlemen who have attended the Committee meeting with some of us, and have recently been hearing information given by witnesses, know, know that the very influential gentlemen who appeared before the Committee the other day indicated that such was the fact.

Without going into all this evidence in something over 100 letters that have come to me, I think it has been well established that there has been an absolutely alarming exodus of Canadians to the United States. I do not think we need to read from their evidence to prove that that is true. I could read to the House letters from every province in Canada-not confined to one province with which my honourable friend from Quebec has dealt with so fully and so well-to supplement and amplify the proofs that he has submitted that those same conditions exist in every province: but the information which I have deals more particularly with the industrial population than the agricultural.

May I state what I feel to be some of the causes of this emigration? The Dominion Bureau of Statistics issued a report a little while ago showing that there were in the industries in 1924, 9,169 fewer men permanently employed on the railways than was the case in December, 1923. Why was that? Principally because during that same year the gross earnings of our Canadian railroads fell by a little over \$30,000,000. If honourable gentlemen will refer to the May issue of the "Canadian National Railways"-a journal issued every month-they will see that the cperating expenses of the National Railways alone diminished by \$14,500,000 last year, while the gross earnings diminished by \$17,-500,000. Out of that \$14,500,000 of decreased expenses, \$10,217,000 of the decrease in operating expenses, of which every dollar is wages, represents a loss to the 9,169 men who were thrown out of employment because of the \$30,000,000 decrease of revenues. But why did the revenues decrease?

Hon. Mr. DANDURAND: Because of a short crop.

Hon. Mr. ROBERTSON: My honourable friend has given the answer that is in the mouth of every person who wants to excuse that situation.

Hon. Mr. DANDURAND: And the presidents of the two railways.

Hon. Mr. ROBERTSON: No: I want to correct my honourable friend, because he was present when the question was asked of both railway presidents, who testified that the amount of revenues derived from the handling of the grain was comparatively small, and made only a small portion of the \$30,-000,000 referred to.

Hon. Mr. DANDURAND: Oh, that is another question; but the short crop produced the result which I mentioned.

Hon. Mr. ROBERTSON: No. I am coming to that. If my honourable friend will refer to previous articles in the monthly journal, he will find specific mention of the fact that the lesses were largely due— I think that the President of the Canadian Pacific said were principally due—to the contraction in industrial activity. In my opinion, that contraction is the basis of most of the difficulty.

Hon. Mr. DANDURAND: I would like my honourable friend to substantiate that, because our export returns show the very contrary.

Hon. Mr. ROBERTSON: Oh, no. Perhaps I can give my honourable friend a little information on that matter. I am sorry I have not the figures up to date. These were compiled two or three months ago, before the end of the fiscal year. Our imports and exports for the year ending December 31st, 1924. where \$1,863,000,000, and for the year 1923 they were \$1,921,000,000. There was a decrease in our total trade as between 1923 and 1924 of \$57,000,000. If I recollect correctly, a similar comparison brought down to the end of the fiscal year, March 31st, 1925, shows that the net loss in total trade of Canada was \$75,000,-000, which is reflected in a drop of \$30,000,000 in the gross earnings of our railways.

May I say in passing, and as an aside, that I recall very well how this has been explained by members of the Government. In a byelection that occurred not very long ago a member of the Government got up before a large audience of railroad men and told them that the reason there was a decrease in the number of men employed in that railroad town, which was on the National Railways, was the consolidation of the Canadian Northern and the Grand Trunk. Now, the consoli-dation of the Canadian Northern and the Grand Trunk occurred before 1924, it occurred at the end of 1923. Notwithstanding the fact that consolidation had been in effect more than a year, we still found a drop of 9,000 in the number of men employed. It is absolutely foolish, it is deceitful, it is unfair, it is untrue, to say that anything but the decrease in the gross earnings and in the gross tonnage carried has been responsible for the decrease in employment.

Let us turn now to a branch of the business with which I am particularly familiar-the Station and Telegraph Service. A few days ago I happened to meet a representative of the telegraphers' organization of the Canadian National Railway lines, West. I want to show the effect of the contraction in railway activities and railway business on that class of employees alone. In what is known as the Manitoba District of the National railroad there are 520 telegraphers on what is called the seniority list, or the roster of employees. The man who is holding the junior position to-day is No. 358, and there are 142 men. supposed to be regular employees in that branch of the Service in the province of Manitoba who have not a job to-day. In the province of Saskatchewan the situation is somewhat similar: out of a total of 391 the junior man working is No. 312; in other words, 79 are out of employment. The province of Alberta shows practically the same result.

I have a telegram from the Chairman of the Canadian Pacific, giving some information as to that road, which does not show up quite so badly, for the very good reason, I think, that the Canadian Pacific did their pruning of the staff perhaps a little earlier than the Canadian National.

The fact remains that you can go into almost any railroad terminal you like, in this whole country, and make inquiries, and you will find that locomotive engineers of ten years' standing are to-day handling the shovel and firing the engine because there is no other work for them.

Then, the Government, in the face of closed factories, reduced transportation requirements, and thousands—indeed hundreds of thousands—of men finding themselves without employment and their families requiring to be fed and clothed just the same, raise the barriers, or cause them to be raised, to make it more difficult and more costly for such men to go where they can obtain employment. I cannot conceive what the Government thought they would ever gain by a policy of that sort.

Hon. Mr. DANDURAND: Would my honourable friend suggest as a remedy that we give them a bonus in order to incite Canadians to cross the line?

Hon. Mr. ROBERTSON: I will tell my honourable friend in a moment what the remedy should be. But I cannot conceive how the Government can hope to obtain any good result from a policy of that sort, because when a man is for any reason out of employment he is forced to go, and must go, where he can obtain it. What I suggest as a remedy is that employment should be provided at home.

Now, how can that be done? I go partly along the lines of my honourable friend from Montarville. I had the opportunity, and indeed the privilege, as I deemed it, to be a member of a Tariff Commission making inquiry into the whole fiscal subject of this country in 1920. It was a new experience for me, because I had not been connected with activities which brought me into touch with that question before; but because it was of intimate and vital interest to probably a million or more industrial workers in Canada, I did endeavour to obtain an intelligent and fair understanding of the facts, and of the effect of tariff upon business. At the end of that investigation I came to this conclusion-I have never changed my mind upon it and do not anticipate that I ever shall-that there should be, in 1921, or as quickly as it could be brought about,-for it is a very intricate and voluminous task to revise all the items in a tariff-a substantial upward revision in regard to many articles. There were some few that perhaps were high enough. In fact, there may have been one or two that could have been readjusted in the other direction. However, the general necessity was a substantial increase-why? Because 32 other nations of the world had increased their restrictions and raised their barriers against us after the war. In addition to raising their tariff barriers against Canada, against our workmen and our products, they had a still further advantage: the value of the money of foreign countries was so depreciated that the so-called tariff protection, which was the law in Canada then, and still is, was absolutely wiped out, and the Canadian manufacturer and the Canadian workman had absolutely no protection at all in hundreds and hundreds of instances.

Hon. Mr. TURRIFF: Why did not the Government of which my honourable friend was a member take action in 1921? They were in power until November or December.

Hon. Mr. ROBERTSON: That is a very fair question. I will give my honourable friend, I think, a fair answer. That inquiry concluded on the 7th day of December, 1920. There was absolutely no time to perform so tremendous a task as a revision of the whole tariff before Parliament met. It would have been done in the year 1921 and would have been submitted to Parliament in the Session of 1921-22, had it not occurred that in August or September 1921 the Prime Minister announced dissolution and a general election Hon. Mr. ROBERTSON. followed, and the people of Canada saw fit to change their Government. I say to the House, and to anybody who is interested, that in the winter of 1921-22, had it not been for the change of Government, there would have been, in my opinion, a substantial upward general revision of the tariff, which would have prevented the necessity of hundreds of thousands of Canadian workmen and their families abandoning their homes and losing in many cases their equity in them, and being exiled to a foreign land to find employment.

Hon. Mr. DANDURAND: But that is only a sin of omission. My honourable friend has two sins of commission, because he helped to reduce the tariff after 1918 and before 1921.

Hon. Mr. ROBERTSON: No. The tariff was not reduced twice, in a general way at all.

Hon. Mr. DANDURAND: Oh, yes. there were two cuts made by my honourable friend's colleagues.

Hon. Mr. ROBERTSON: My honourable friend refers, of course, to the war taxation, as to which the Government thought it could relieve the taxpayers to some extent; but that did not interfere in any way with the tariff as it stood before the war. My honourable friends have found it advisable and necessary to increase taxation in other forms, but have not done it through the tariff.

There are many ways other than by a tariff itself, in which protection can be given to an industry, whether it be to the employers or to the workmen, who are both concerned, the workmen being much more concerned than the employers. Take the United States, for example. There is no duty on shoes entering the United States. Why should they have any duty? They have no fear of competition when they manufacture in such tremendous quantities. Their costs are smaller than ours—necessarily and naturally so.

Hon. Mr. TURRIFF: Why?

Hon. Mr. ROBERTSON: From last year, for example, there was a demand in the United States for hockey boots. People do not skate much in the United States, especially since Mr. Volstead took up his residence there. There having been not much ice, there has never been any manufacture of hockey boots in that country on an extensive scale. There was imported into the United States between \$100,000 and \$200,000 worth of hockey boots. What did the United States Customs authorities do? There being no tariff on boots

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to protect the United States manufacturer, they declared hockey boots to be sporting goods and charged 30 per cent on them. That is a sample of how it is possible to protect your workmen and your industries if the Government makes the attempt. But, instead of that, what is going on? By every opportunity that there is, by methods just as devious as that, or perhaps more so, it is being made easier to bring the products of the cheap labour of other countries into Canada and to put them on the market, while the workmen of this country walk the streets and their families go hungry. I say to the Government that it is a matter of vital importance to the Province that my honourable friend from Montarville (Hon. Mr. Beaubien) adorns. There is probably no part of Canada in which the population is more homeloving or more desirous of prospering and living peaceably in its own environment than in the Province of Quebec. I had the pleasure of living in that Province for nearly six years. Having been born and raised in the western part of Ontario, and having had no opportunity up to that time of coming into contract with or knowing our compatriots in Quebec, I want to say that it was an experience not only interesting, but highly delightful, to come into contact with a people such as the French Canadians. I think it is true that there is no class of citizens in Canada whose loss to the Dominion is greater than that of our native-born French Canadians. On the other hand, most of the emigration that has been going from other provinces of Canada is composed of skilled artisans who can command good wages for their services and who go elsewhere to get such wages. In most instances such artisans are rearing families, and those families have in many cases been educated in our public and high schools. Away goes the father, and takes his family with him. After we have incurred the cost of educating them and of training that artisan until he has become skilled in his trade and becomes a valuable citizen, they go away to another country, which gets the benefit of all the expenditure that has been made upon them here. Therefore there are left in our industrial population those who are least capable, or at any rate least ambitious of making their way in competition with workmen in other countries.

In place of the best of our artisans we are receiving a small measure of immigration. My view of the picture is not quite that as represented by my honourable friend from Montarville; but I find that between the years 1923 and 1924 there was a discrepancy of about S-24 100,000. By months the emigration shows a gradual rise from 3,000 people in January 1922 to 19,177 in the month of June, 1924. This is only the recorded emigration. During those two years, according to the American official figures, 351,109 people entered the United States legitimately through the immigration officers. During those same two years Canada received from all countries of the world 261,770 people, and expended approximately \$3,500,000 a year on immigration. Is it not important from the standpoint of taxation, that our population be kept at home?

Hon. Mr. BEAUBIEN: May I ask my honourable friend to bear with me for just a second? I suppose he is aware that the figures given by the United States are only those of persons registering as Canadians.

Hon. Mr. ROBERTSON: Certainly.

Hon. Mr. BEAUBIEN: And all the others who leave our country to go to the United States are registered as of their country of origin. Therefore the number would be very much greater.

Hon. Mr. ROBERTSON: Secretary Davis makes the statement that during the past three years there have come into the United States, he estimates, 700,000 people from Canada. A very substantial proportion of those have of course entered clandestinely, as we have evidence that people have been crossing the frontier at Detroit and Niagara at the rate of 100 a day, being smuggled in for a price. So it is difficult to comprehend fully the loss of this kind of emigration to Canada. The legitimate, known immigration into the United States amounts to 500 persons a day. We hear the question discussed, what shall we do with our railroads? Shall we sell them or not? I do not know how we are going to sell them if we wish to do so. I do submit that the primary thing we should attempt to do is to adopt a national policy the effect of which will be to keep our population, to increase it, to increase our railroad traffic and therefore decrease our deficit; and I think that the attention of the country is rapidly being turned in that direction. T think that the business interests of Canada. to say nothing of the hundreds of thousands of workmen who, because of the policy that the Government is pursuing, are trembling in their shoes as to whether they are going to have employment to-morrow or not, are coming rapidly to the conclusion that something must be done in the near future: there must be a right-about-face and at least an attempt made to remedy the deplorable state of affairs existing.

I apologize to the House for having taken so much time on this question; but I would say to any or all honourable gentlemen who care to examine this volume of evidence that I have here, showing the detailed knowledge and experience of representative men all through the country, in every province and almost every city, that I should be delighted to place this evidence at their disposal. If they will examine into the details, they will satisfy themselves that they are bona fide and true, and that some of the statements made are indeed touching as well as correct.

I hope that the Government will give some recognition to the very forceful presentation on this question by my honourable friend from Montarville and will at least take the trouble to review and investigate some of my statements for themselves. If they do so they will surely come to the conclusion that there is need for action on their part.

R. DANDURAND: Honourable Hon. gentlemen, I confess that I am somewhat grieved at the tone of the speeches which I have heard from the two honourable members to whom we have listened this afternoon. I am afraid that this will not be conducive to increased confidence in this country. I may quote Sir Vincent Meredith, the President of the Bank of Montreal, who returned to Canada lately, and who stated that it was a pity in a foreign land to hear the constant wails that come from Canada. I do not believe that they are justified. The state of our trade shows a healthy condition. My honourable friend from Montarville (Hon. Mr. Beaubien) has told us what Canadians can do. They are still on the job; they are still working; they are producing and developing our industries; they are meeting with difficulties, but they are facing them like men. I do not know why there should be that wave of pessimism through the ranks of my honourable friends on the other side. I cannot accept conditions as they are painted; I do not admit the truth of the picture.

Mr. honourable friend from Montarville has cited some letters from parish priests whom he has consulted, and who have told him that there has been a desertion from the land. But we have heard of that for the last 75 years in Canada; and when my honourable friend says that a responsible Minister in the Commons, in speaking of the various problems that confronted Canada, mentioned for the first time the possibility of annexation to the United States—which he repudiated—he shows his youth, because I remember some 40 years ago a very esteemed Minister from the Province of Quebec, who represented the Hon. Mr. ROBERTSON. Eastern Townships, explaining the difficulty of retaining our people in the Province of Quebec, and the difficulty of maintaining a line of cleavage-not a line of union, as my honourable friend has said-between the United States and Canada, suggested that our forebears had perhaps committed an error in populating the frontiers with English-speaking Canadians. Now there is an exodus from the farm: but there is an exodus from the farm in nearly every country that I know of. It is an exodus to the city. Montreal is not losing population, and I am quite sure that Toronto is not. I was somewhat surprised to hear that a parochial census taken last year showed an average increase of 50,000 in the population of Montreal. The cities are a magnet which draw men from the land, and another and more powerful magnet is the United States, with the formidable wage scale in force there, which is a very tempting one. The quota having been fixed against European immigration, and not applied to Canadian immigration, with the prevailing price of labour in the United States, it is no surprise that some of our people should be tempted to go there to take advantage of a wage which I dare not mention because I do not want to add to the publicity already given to Everbody within the sound of my voice it. knows the figures.

My honourable friend has read a letter from a curate in a parish five miles outside of Shawinigan, who says: "Forty families have left my parish who could have received a good wage in Shawinigan mills." They were not tempted; they were attracted by some relatives on the other side of the line who had probably told them what they were earning, and they went over. This has taken place and will continue to take place with more or less intensity according to the condition of the market in the United States.

Our farming community has large families. There are three or four or five sons per family, and as many daughters, and some of the boys are attracted to the city, and make their own selection: they are in correspondence with relatives on the other side. There are more than a million French Canadians in the New England States.

Hon. Mr. POPE: Nearer two million.

Hon. Mr. DANDURAND: Perhaps so, because we are now speaking of the second generation, and we know that those families on the other side are probably as large as they are on this side. But this is not a larger ratio of loss than Nova Scotia mourns. The New England States are full of Nova Scotians, and I do not know but that the same story can be told of New Brunswick. We stand faced with that difficulty; we are suffering from that situation; yet we carry on.

My honourable friend desires to stress his point with statistics, saying that they show a fearful condition. I saw the statement some time ago that, if we took the statistics from Washington for the last 30 years, and accepted them as being true, without multiplying them by 3, as my honourable friend has done, there would remain practically no Canadians on this side of the line. And yet Canada has a population of 9,000,000 hardy men who wake in the morning with the idea of not lying down again until their work is done. We are all proud of them when we look at the sum total of the work of our people on the farm and in the factory.

Some three or four years ago I wrote to the Minister of Agriculture, whom my honourable friend quoted, the Hon. Mr. Caron, to communicate to him what I thought would be an inducement to members of the farming community to remain on the land-some suggestions for making life in the country parts more attractive. He answered me that it was all an economic problem-that so long as the cities offered \$5 or \$6 a day for eight hours work it would be mighty hard to keep the majority of our sons on the farm working 12 to 14 hours a day and receiving a meagre return by comparison. Added to this condition, which we must face we now have the United States offering double the wage that Canadian employers can offer: hence the result that we find to-day in some of the statistics. Yet I am convinced that there is a movement of people returning, as well as of those who go.

It has been stated this afternoon that there is an invisible emigration. I believe that there is also an invisible immigration—that people leave and remain away for a few months, maybe a year or more, and then return. The last census, it is true, apparently shows that we have lost a part of our increase in population if we include in the reckoning the increased immigration that we have had; yet I have confidence that, despite the difficulty and despite that formidable magnet on the other side, our Canadians will continue to develop and prosper.

It has been said that if we increased production we would increase the value of our domestic market, and would thereby keep our people at home. Even if the remedy which is suggested would increase the population, it would probably increase it in the cities to the detriment of the rural parts. If there were work in the towns and cities, the rural parts would be decreased pro tanto, and that $S-24\frac{1}{2}$

would not increase or help to maintain the population that we have on the land. We have our domestic market and we have been selling abroad. We are cultivating foreign markets. We tried in 1911 to open the American market to our natural products in order to help the farm, and we all know that the Liberal party went down on that policy. I would be ready again to test the opinions of the people of Canada on the question of reciprocity in natural products. I had occasion to say that twenty years prior to the 1911 election Sir John A. Macdonald submitted reciprocity in natural products as his policy. The Liberal party at that time were in favour of unlimited reciprocity. Sir John opposed that with reciprocity restricted to natural products. In February of 1891 the whole of Canada voted for reciprocity in natural products, because it was the Conservative programme which carried, and the Liberals in voting for unrestricted reciprocity impliedly voted for reciprocity in natural products. In 1911 restricted reciprocity went down. I believe it would have been a considerable boon to Canada, and I believe that to-day reciprocity in natural products with the United States would be a boon. This may be denied, but I am convinced that, if a referendum were taken on that simple question, entirely removed from the contingency of an election, three-quarters of the people of this country would vote in favour of reciprocity in natural products with the United States. From 1854 to 1866 such a policy had made prosperity for Canada, and the generation of men who had seen that result-and there are still scme in this Chamber-felt, up to 1911, that reciprocity was the policy which would again bring prosperity to our country.

Well, that policy was rejected in 1911, and today we are facing conditions that we all know. The United States is a highly protected country, and yet, honourable gentlemen, when you look into the figures what do you find? In spite of a higher tariff Canada is still selling to a very considerable extent to the United States. I hope that the day may come when we shall succeed in arranging for greater facilities of exchange with our neighbours to the south; but in the meantime I want to comfort my honourable friend from Montarville, and tell him to cheer up, to look at the work of our factories and our farms.

Farming is an industry, and, in spite of what he says, it is the largest industry in Canada. When my honourable friend states that the products of farming bring in a lesser amount than is brought in by manufacturing, I am quite sure that he does not calculate that the whole farm population has lived upon the products of the farm, and that if its consumption were added to the amount of the sales of farm products, farming would be shown to be by far the largest industry.

I draw the attention of my honourable friend to the fact that in making his comparison between the farming industry and other industries he is obliged to bulk together all the other industries against farming. Take all the various activities of the industries of Canada; treat them separately, and then compare their products with the products of the farming industry. As a whole, the farming industry, I believe, is still the largest, and we must not, through protection, make the cost of living in this country too high.

We know the problem of governing this country. The United States had the same problem. The West for a number of years resented the high cost of industrial products that was levied upon it by the East. To-day we have the same sentiment in our Canadian West. Not only have we got it in the Canadian West, but we have it in the Maritime Provinces. Men of high standing in both parties in the Maritime Provinces complain of the high tariff working detrimentally to their Provinces, and the cry is made there, as in the West, that compensation should be given them. The farmers of the West contend that the whole country should contribute in order to reduce freight rates and give them a margin of profit.

This is the situation that confronts us: everyone is looking for something to be done for the farmers of the West in order that they may prosper or eke out a living. In that situation I ask the official critics of the present Government to remember that this country is a very difficult one to administer; that there must be give and take; that you cannot increase the duties blindly and say that if we give higher protection we shall increase production in our industrial plants. It is not certain that higher duties will bring greater prosperity to the majority of the manufacturers.

I ask my hon. friends to go to the Canadian Manufacturers Association and look at its list of members, and they will find that not 5 per cent among them complain of the present tariff. I say not 5 per cent among them; that is why I do not admit that a resolution such as that read by my honourable friend represents the sentiments of the manufacturers of Canada. I meet them daily, and nine out of ten of those I meet have no fault to find with the present tariff. I am in contact with some of them; I am interested in some industries, and I seldom Hon. Mr. DANDURAND. hear a complaint from that direction. I have locked at their annual reports, and I do not find in these any indication of fear that they are insufficiently protected. No: they enjoy a certain amount of protection; they can hold their own; they are paying dividends; and it is but a very small section of the manufacturers of this country whom we hear wailing and complaining and asking for greater protection.

There is a danger, honourable gentlemen, in increasing duties to those who are not in absolute need of temporary help from the public treasury and the private purse as well. I know of cases in which the consumer has suffered through the fact that the manufacturer has too large a margin. A way must be found for taking into consideration the consumer as well: he is an important factor, and his class forms the vast majority in this country. The farmer is among them, and I say, do not be carried away with the idea that the panacea of protection pushed to an undue point will bring considerable prosperity to this country. Before saying so, look at the schedules in our tariff, and you will see that there are still some duties at 27 per cent, there are still some data in I say that 25 per cent, 22 or 20 per cent. I say that producing for the last 25 or 30 years, and have established their trade, show decidedly faulty or weak points in their administration if they cannot meet the foreigner in their own market. Take the Canadian manufacturer who exports, and sells his goods in the world markets where he meets world competition, and yet finds his profit by invading those markets in addition to keeping the Canadian market. Remember that he charges more in the Canadian market than he does to the foreigner, who has the advantage of choosing between the goods that come from various countries.

I know what has passed in the United States. There is a clear indication among the manufacturers in that country that the American consumer pays at least 25 per cent more for his goods than the foreigner pays for similar goods sold abroad. Manufacturers in the United States have admitted this to me some with pangs of conscience or some uneasiness—and I say to the Canadian Senate, before you bind yourselves to a higher tariff policy, think twice, and remember that the consumer must be considered.

Hon. Mr. ROBERTSON: I understand my honourable friend to indicate that there has been no exodus from the city of Montreal that the tendency has been towards immigration from rural parts of Quebec to that city. May I inform my honourable friend that a Montreal newspaper dated February 7 contained a report of this subject which shows that in a report covering 48,605 workers there were in February 5,324 without employment and 22,463 working on short time? The same report showed that 4,348, or approximately 10 per cent, had gone to the United States to obtain employment, and the report continues that this is a startling figure when it is considered that those represented all skilled workmen.

Hon. Mr. DANDURAND: But I draw the attention of my honourable friend to the fact that the population of Montreal to-day is about a million; that it goes on increasing from day to day; and that in such a vast population there is naturally a certain proportion moving away to other fields. Unfortunately that increased population is constantly nurtured by accessions from the rural parts. The reason why people go from the rural parts to Montreal is self-evident. We have now fine roads and motor cars, with the desire of young men to see the country. They see those motor cars whizzing by all through the province; they hear of the wages paid in Montreal; they hear of the movies; they come to the city and see our principal streets blazing with lights. These attractions they do not have in rural parts, and so they come to the city.

This is a problem which we have to meet. That there should be a movement of going and coming in such a large population is not at all surprising. When some relatives live on the American side, and invite members of their families to that country, it is pretty hard to hold them in Montreal; but, recognizing that the building trade has been slowly picking up and that the economic situation is improving, I have hopes that during the present summer we shall find very few unemployed in that city. There are always some thousands who work around the wharves, who will sometimes find work in the shanties cutting wood; but if during a particular winter there is no call from the shanties, we have a greater amount of unemployment in Montreal. I admit that conditions could be better, but when I look around the world and see our dollar at a hundred cents, and know what the captains of finance and industry say, and read the reports that are daily being printed in the newspapers-the financial page sometimes contradicting the pessimistic articles in the editorial columns-I think we have still reason to be hopeful and thankful to Providence for our situation at this day.

Hon. Mr. BEAUBIEN: I would certainly feel obliged to withdraw a part of what I said in reference to the difference in value between the amount produced by the industries of Canada and that produced by agriculture if our statistics bore out what my honourable friend says. As they do not, will he allow me to give him the information that comes from his own Government?

Hon. Mr. DANDURAND: I simply made the statement on a query from my honourable friend. I asked if he took into consideration what was consumed by the farmer on the farm.

Hon. Mr. BEAUBIEN: I want to say that I have taken my figures from the chapter on production in the financial statistics of Canada. It is quite evident that the term production here does not mean the sale of the crops at all. It is used in this connection in its popular acceptation, that is, including such processes as the growing of crops, the extraction of minerals, etc. What is taken as agricultural production is the gross proceeds of the farmers, not the net proceeds. That is my first point.

Now, what do the statistics show-because I would not like to go one iota beyond the truth as to the value of agriculture compared with that of industry. I will take the year 1921, which gives a good idea of the difference in the proportion of both. Agriculture in 1921, gross, was \$1,485,109,796. Let us take the rest of the productions; what are they? I take forestry as an industry; fisheries also, of course; trapping and mining. I have not taken electric power. Of course, construction is an industry, and I have taken manufacturing. If you subtract electric power, \$73,376,580, and custom and repairs at \$89,108,737, and agriculture at the figure above quoted from the total production of \$4,485,487,758, there remains \$2,-837,892,772 which is practically a margin of \$3,000,000,000 attributable to industry proper.

Hon. Mr. DANDURAND: I would like very much to analyze that \$3,000,000,000.

Hon. Mr. ROCHE: My honourable friend, in quoting the gross production of manufacturing, left out the very great proportion of raw material imported.

Hon. Mr. BEAUBIEN: All I can do is to refer to the statistics. I may be wrong to a certain extent, because the statistics may be wrong. Supposing I should be wrong to the extent of \$300,000,000, what does that matter? On one side you have a very much greater proportion of production in industries; there is no getting out of that. Hon. Mr. DANDURAND: I am not so sure about that.

Hon. Mr. TURRIFF: From my honourable friend's statement most people would gather that the agricultural production was very much less than the industrial, which they would read as manufacturing.

Hon. Mr. BEAUBIEN: Yes.

Hon. Mr. TURRIFF: But the products of the fisheries and of the mines and forests. where sold as raw materials, are not in the same sense industrial as the manufacturing, and I would ask my honourable friend to give the total value of the manufactured goods as compared with the agricultural.

Hon. Mr. BEAUBIEN: I brought these figures simply to show that the association of men called the Canadian Manufacturers Association represented a very formidable interest in Canada.

Hon. Mr. TUR/RIFF: No doubt about that.

Hon. Mr. BEAUBIEN: The Canadian Manufacturers Association comprises the people who work our forests and mines and fisheries; I know that. There is only one part of the population that does not include the agriculturists proper. Therefore I am perfectly right when I put them aside. I show the farmers' exclusive production. The Canadian Manufacturers Association covers all the other industries. Therefore I am entitled to show the products of all such industries grouped together in the Manufacturers Association. That is all that I meant, and it is the truth.

Hon. Mr. SCHAFFNER: Even the Government tells us that only 5 per cent of the manufacturers are finding fault.

Hon. Mr. DANDURAND: Not 5 per cent.

Hon. Mr. SCHAFFNER: They are satisfied with the conditions of the tariff as it is?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. SCHAFFNER: 95 per cent are satisfied; that is a pretty good proportion.

Hon. Mr. BEAUBIEN: Certainly I have great respect for the affirmation of the honourable leader on the other side of the House; but I would call his attention to this, that not one fact has been cited by me without the quotation of my authority; and I think he will spend a lot of midnight oil in finding a shadow of authority for the statement that 95 per cent of our Canadian manufacturers are satisfied with the tariff.

Hon. Mr. BEAUBIEN.

Hon. Mr. GORDON: Do statistics show that only 5 per cent of the manufacturers are dissatisfied with the tariff?

Hon. Mr. DANDURAND: I have given that because I think that I am very generous. I do not believe there are 5 per cent.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

CANADIAN CLAIMS FOR WAR DAMAGES IN PERSIA INQUIRY

Hon. Mr. WILLOUGHBY inquired of the Government:

Does the Government intend to make any provision for adjustment and settlement of claims of Canadians who were British subjects for damages to personal property suffered in Persia at the hands of Turkish troops operating there during the Great War and subsequent to August 1, 1914, such claims not coming under the provisions of the Convention signed the 23rd November, 1923, and made pursuant to Article 58 of the Treaty of Lausanne.

Hon. Mr. DANDURAND:

Claims of British subjects in Canada for damages suffered in Persia through the operations of Turkish troops since the 1st of August, 1914, are of the same class as those within the categories set out in the Annex following Article 244 of the Treaty of Versailles, and will be similarly dealt with.

SUPREME COURT BILL

FIRST READING

Bill 16, an Act to amend the Supreme Court Act.—Hon. Mr. Dandurand.

DAIRY INDUSTRY BILL

FIRST READING

Bill 109, an Act to amend the Dairy Industry Act, 1914.—Hon. Mr. Dandurand.

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

FIRST READING

Bill 111, an Act to amend the Live Stock and Live Stock Products Act, 1923.—Hon. Mr Dandurand.

DIVORCE BILLS

THIRD READINGS

Bill Q4, an Act for the relief of Andrew Toulouse.—Hon. Mr. Haydon.

Bill R4, an Act for the relief of Albert Plue Jessop.—Hon. Mr. Haydon.

Bill S4, an Act for the relief of Cecil Hunter.—Hon. Mr. Ross (Middleton).

APPOINTMENT OF SENATE OFFICIALS MOTION AND DISCUSSION

The Senate resumed from June 2 the adjourned debate on the motion of Hon. Mr. Daniel:

That in the opinion of the Senate the appointment of all officers occupying seats on the floor of the Senate, to whom the Civil Service Act applies, should be selected and appointed by the Senate, and that the Civil Service Commission should be asked to exclude those positions from the operation of the Civil Service Act.

Hon. Mr. FISHER: Honourable gentlemen who were in the Senate on Tuesday will perhaps remember that when the motion of the honourable member from St. John was read I moved an amendment, and the honourable leader of the House and two other honourable gentlemen on the other side asked that the matter be allowed to stand until they had received some further information. I find on looking at the Orders of the Day and in the Minutes of Proceedings of the Senate that the amendment is not printed. Probably it was my own fault in not putting it in writing. I presume, however, that I have the right again to introduce this amendment and consequently I will move, seconded by Hon. Mr. Smith:

That in the opinion of the Senate all officers occupying seats on the floor of the Senate should be selected and appointed by the Senate.

Hon. Mr. DANDURAND: Perhaps before the honourable gentleman submits his motion, as he has the right to do, I might submit to the Senate the documents that I promised on Tuesday last. Then the honourable gentleman may wish to postpone the matter, or will take whatever action he pleases. I intervene now, before the amendment is put, in order that the honourable gentleman may decide for himself whether to press his amendment or postpone it. I stated the other day that the Civil Service Commission had released the position of the Black Rod, and it has done so under a letter, a copy of which reads as follows:

Civil Service Commission

Canada

Office of the Secretary, Ottawa, 28th May, 1925.

Dear Mr. Lemaire,— I beg to advise you that your letter of the 26th instant, with reference to the office of the Gentleman Usher of the Black Rod, was to-day under consideration by the Commissioners; and that it was resolved

1. That it is not in the public interest to apply the Civil Service Act to the appointment of an officer to the position of Gentleman Usher of the Black Rod;

2. That the said position, so far as the impending appointment is concerned, be wholly excluded from the operation of the Civil Service Act;

3. That the appointment thereto be vested in the competent authority in that behalf to be determined and nominated by the Law Officers of the Crown.

A memorandum, embodying the above resolution, and recommending the exclusion of the position from the operation of the Civil Service Act under the provisions of Section 38B of the said Act, is enclosed herewith for the approval of the Governor General in Council.

Yours sincerely,

(Sgd.) Wm. Foran, Secretary.

E. J. Lemaire, Esq., Clerk of the Privy Council,

Ottawa, Ont.

Ottawa, Ont

Then, I have what I suppose is the memorandum which bears the signature of two Commissioners, and to which the Prime Minister has appended his signature:

Civil Service Commission of Canada Office of the Secretary.

To His Excellency the Governor General in Council.

The Civil Service Commisson recommends under Section 38B of the Civil Service Act of 1918 as amended, that the following position on the staff of the Senate of Canada be wholly excluded from the operation of the Civil Service Act;

Gentleman Usher of the Black Rod.

In conformity with Section 38B of the Act, regulations are required, prescribing how such appointment shall be made;

The Civil Service Commission recommends:

(1) That it is not in the public interest to apply the Civil Service Act to the appointment of an officer to the position of Gentleman Usher of the Black Rod;
 (2) That the said position, so far as the impending appointment is concerned, be wholly excluded from the operation of the Civil Service Act;

(3) That the appointment thereto be, and is hereby vested in the competent authority in that behalf to be determined and nominated by the Law Officers of the Crown.

To this the Prime Minister appended his name, jointly with the two Commissioners.

Hon. Sir JAMES LOUGHEED: Why has he signed it too?

Hon. Mr. DANDURAND: It is to embody it in an Order in Council signed by the Governor in Council in virtue of the Act. The Civil Service Commission can only make a recommendation to the Governor in Council, which adopts the recommendation and sends it to His Excellency for his signature.

This is the Order in Council:

P.C. 877

Certified copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 3rd June, 1925.

The Committee of the Privy Council have had before them a Report, dated 2nd June, 1925, from the Right Honourable W. L. Mackenzie King, the Prime Minister, submitting a recommendation of the Civil Service Commission, under Section 38B of the Civil Service Act of 1918 as amended, that the following position on the staff of the Senate of Canada be wholly excluded from the operation of the Civil Service Act, viz. Gentleman Usher of the Black Rod.

The Civil Service Commission are of the opinion that it is not in the public interest to apply the Civil Service Act to the appointment of an officer to the position of Gentleman Usher of the Black Rod, and have therefore recommended that the said position be wholly excluded from the operation of the said Act. The Committee concur in the foregoing and submit

the same for Your Excellency's approval. E. J. Lemaire.

Clerk of the Privy Council.

Now, this report and recommendation of the Civil Service Commission will be transferred to the law officers of the Crown, as it is a relinquishment of the position by the Civil Service Commission.

Section 38B of the Civil Service Act reads:

(1) In any case where the Commission decides that it is not practicable nor in the public interest to apply this Act to any position or positions, the Commission may, with the approval of the Governor in Council, exclude such position or positions in whole or in part from the operation of the Act, and make such regulations as are deemed advisable prescribing how such position or positions are to be dealt with.

This is the situation as it stands. I may say that perhaps it would be inadvisable for the Senate to express an opinion at this stage, as the Law Officers of the Crown will have to determine to whom that appointment belongs. I was wrong the other day when I stated from memory that the Senate of Canada had in 1867 delegated its power of appointment to the Crown. I read the resolution, which is not in the nature of a delegation, but of a recognition, which is very different:

The Select Committee appointed to examine and report upon the Contingent Accounts of the Senate for the existing first Session, beg leave to make their first report,—

That with the exception of the appointment of the Clerk of the Senate, Usher of the Black Rod and Sergeant-at-Arms, which are considered to be Crown offices, all other offices of the Senate, as well as all salaries of officers, are and ought to be in the appointment of the Senate and under the control of the Senate.

So we are faced with a statement from the Senate recognizing that these offices—and the Black Rod is among them—are considered to be Crown offices. I suppose that the Senate was actuated by the fact that under the Union of Canada the Black Rod was appointed by the Crown, and also that the Usher of the Black Rod in Great Britain was appointed by the Crown. That is simply a surmise. Tradition plays an important role in these matters, and this is a recognition appearing in the Journals of the Senate of the fact that this is a Crown appointment.

I do not at this stage desire to go further in the discussion of this matter, which I know more about than I did on Tuesday last. I confess that at that time I had not looked at the text. I would be very much afraid that a declaration from the Senate that this is a Senate appointment might be contradicted by the Law Officers of the Crown. When we have the report from the Law

Hon. Mr. DANDURAND.

Officers of the Crown we will abide by the decision. The Senate is master of its own will, but I have not had time to discuss the matter with my honourable friend who faces me, or with his Honour the Speaker. I would have been disposed to represent to the Law Officers of the Crown that the Law Clerk of the Senate be joined with them in the examination of the question. This is a thing which we may turn over in our minds, the situation being as it is, and the question being a debatable one, the Senate having declared it a Crown appointment. With the facts before me. I would suggest that the Senate should not take the risk of making a declaration that could perhaps be somewhat affected by the opinion of the Law Officers of the Crown.

Hon. Sir JAMES LOUGHEED: I should like to make the suggestion that the Law Officers of the Crown should not be set in motion and asked to give an opinion upon this question until the Senate can express its opinion as to the legal status of the appointment. If the Law Officers of the Crown should now give an opinion, it would be an ex parte opinion. In a sense they are approached by the Government, and I suppose it is not casting any reflection on them to say that their duty is to work in harmony with the wishes of the Government, as far as possible.

Hon. Mr. DANDURAND: I would be somewhat slow in accepting that statement.

Hon. Sir JAMES LOUGHEED: I would not expect my honourable friend to commit himself to that at all. I entirely acquit my honourable friend of any responsibility in coming to a conclusion of that kind. But if the Government should approach the Law Officers of the Crown upon a question of this kind, it goes without saying that they would have a pretty fair idea of what the Government wished to do.

Hon. Mr. DANDURAND: Would not my honourable friend rather believe that the Law Officers of the Crown would find their mandate in the report of the Civil Service Commission which is transferred to them.

Hon. Sir JAMES LOUGHEED: No. My impression is that it is entirely determined by the statute, and what I was going to suggest was that we should ask the Law Clerk of the Senate to associate himself with the Law Officers of the Crown, and to present to them the views of the Senate upon the legal question as to where the power of appointment lies; in that way we should be JUNE 4, 1925

represented, so to speak, in the presentation of our views. I quite agree with my honourable friend that it would be very undesirable to attempt to put any resolution through the House if there be doubt upon the subject. However, the resolution which has been moved by my honourable friend the Chairman of the Internal Economy Committee (Hon. Mr. Daniel) and amended by my honourable friend from Paris (Hon. Mr. Fisher) is but a modest request, and I think practically embodies the view of every member of this House in regard to the appointment of officers of this House.

However, the correspondence which my honourable friend read will appear in Hansard, and by the next meeting of the Senate we will have had an opportunity of perusing those letters, and possibly of presenting our views upon them.

Hon. Mr. DANDURAND: I may make this statement to my honourable friend-I do not know in what spirit he will receive it-that the Council can only act through an exchange of views which form a tentative resolution. There will be no such exchange of views which could be transferred to the Law Officers of the Crown as embracing the opinion of the Council. My honourable friend understands what I mean. This document will go to the Law Officers of the Crown purely and simply, without any recommendation; while the Law Officers of the Crown may have to take cognizance of the fact that there has been a debate in the Senate, they will have no inkling of any debate in the Council

Hon. Sir JAMES LOUGHEED: It seems to me that the proceeding of the Prime Minister in approaching the Civil Service Commission is entirely irregular and contrary to the provisions in the statute. The recommendation or the first approach to the Civil Service Commission should have been made by his Honour the Speaker. The vacancy occurred here, and his Honour the Speaker should have prepared the report.

Hon. Mr. DANDURAND: Is that in virtue of section 34?

Hon. Sir JAMES LOUGHEED: Yes, I think it is 34. I fail to understand how this movement was initiated by the Prime Minister. There is nothing in the Act to warrant the Prime Minister putting the Civil Service Commission in motion on the subject.

Hon. Mr. DANDURAND: I do not remember how the Prime Minister was seized of the question, but to my mind it does not matter very much. There may be a question

as to who should have precedence, but it does not matter very much how the Civil Service Commission was approached, inasmuch as it could act of its own volition.

Hon. Mr. BEIQUE: Honourable gentlemen, the other day on the spur of the moment I expressed an opinion on the question, and in doing so I was influenced by my recollection of what passed in this House several years ago in discussing the Civil Service Act. My recollection was, and still is, that there was an opinion very strongly expressed by a number of members of this House to the effect that both branches of Parliament should retain the nomination of their own employees. After the sitting of the House, for my own satisfaction I looked into the question, and I must say that I came to the conclusion that the opinion I had expressed during the sitting required to be considerably amended. I would therefore sug-gest that this question, which is quite an important one, should be permitted to mature, and that both the leaders of this honourable House should have a conference with the honourable the Speaker, to be assisted in any formal way, if they think it advisable, by the Law Clerk of the Senate and some officer of the Law Department, to see whether they cannot arrive at a unanimous conclusion. If that is done, I think they will find that they can agree upon a solution of the question.

Hon. Mr. DANDURAND: My honourable friend was not in the Chamber when I read the report of the Civil Service Commission. As a condition they state:

That the said position, so far as the impending appointment is concerned, be wholly excluded from the operation of the Civil Service Act;

That the appointment thereto be vested in the competent authority in that behalf to be determined and nominated by the Law Officers of the Crown.

So this Order in Council will in its natural course go to the Law Officers of the Crown. I suggested that the law officer of the Senate be asked to confer with the Law Officers of the Crown and present the views of the Senate. I am sure that any memorandum emanating from any member of the Senate, and submitted, naturally, by His Honour the Speaker, will be wellcomed by the Law Officers of the Crown in their examination of the question.

Hon. Mr. FISHER: I am quite willing to accede to the request of the honourable leader if he will allow my proposal to go on the Order Paper as a notice of motion.

Hon. Mr. DANDURAND: Is it the amendment of my honourable friend that would go as a notice of motion? Hon. Mr. FISHER: Yes.

Hon. Mr. DANIEL: Did I understand the honourable Minister to state that the Law Officers of the Crown had made a report?

Hon. Mr. DANDURAND: No. I do not believe that the Order in Council, which is based upon the recommendation of the Civil Service Commission, is on its way to the Law Officers of the Crown at the present moment.

Hon. Mr. DANIEL: I must have made a mistake, because I understood during the recess that the honourable Minister stated that he had the report of the Law Officers of the Crown.

Hon. Mr. DANDURAND: No; it is the report of the Civil Service Commission, which contained certain conditions under which the position of Black Rod is released, one condition being that the matter of the appointment be left to the Law Officers of the Crown.

Hon. Sir JAMES LOUGHEED: How do you propose bringing about this conference?

Hon. Mr. DANDURAND: The matter may be somewhat pressing, because there is a Supply Bill, voted yesterday, to be assented to within the next few days. The appointment will have to be made. So I will tomorrow ask the Clerk of the Privy Council to hasten the sending of the documents to the Law Officers of the Crown, and if it is the will of the Senate that I should call upon the Deputy Minister, who is the head law officer, I will ask him if he will kindly examine into this matter with the law officer of the Senate.

Hon. Mr. FISHER: Is it agreeable, then, to the honourable leader that this should remain as a notice of motion?

Hon. Mr. DANDURAND: Certainly.

The Hon. the SPEAKER: I understand, honourable gentlemen, that this is really an amendment to the main motion. It must be worded as an amendment to Hon. Mr. Daniel's motion. There cannot be two distinct motions on the same subject.

Hon. Mr. DANDURAND: Perhaps the honourable gentleman from St. John would withdraw his motion and allow that of the honourable gentleman from Brant (Hon. Mr. Fisher) to take its place.

Hon. Mr. DANIEL: I cannot see any difficulty at all about the matter. The honourable member from Brant (Hon. Mr. Fisher) actually moved his amendment. It is not his fault that it does not appear in the record—

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: But I would draw my honourable friend's attention to the fact that it was not put from the Chair; so it could not reach the Cierk and go into the record.

Hon. Mr. DANIEL: I am willing to do anything to facilitate the matter. Under the circumstances I will withdraw my motion and allow the honourable Senator to make a new one.

Hon. Mr. FISHER: It will still go as a notice of motion.

Hon. Sir JAMES LOUGHEED: May I suggest that a better way would be to allow the original motion to come up again whenever it is deemed desirable. It can be brought up at the next meeting of the Senate. Then some honourable member can move to strike out the last two lines.

Hon. Mr. DANDURAND: The honourable gentleman need not give notice of his amendment; he need only wait until the motion comes up again.

Hon. Mr. FISHER: I am quite agreeable to that, but I understood the honourable gentleman from St. John was going to withdraw his motion.

Hon. Sir JAMES LOUGHEED: Let the matter stand as it is on the Order Paper, and do not move the amendment.

The Hon. the SPEAKER: Stands till tomorrow?

Hon. Mr. DANDURAND: I would say Monday.

Hon. Sir JAMES LOUGHEED: All right. The debate was adjourned.

TORONTO TERMINALS RAILWAY COMPANY BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 143, an Act respecting the Toronto Terminals Railway Company.

Hon. Mr. Beaubien 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.

BENGOUGH-WILLOWBUNCH BRANCH LINE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 74, an Act respecting the Construction of a line of railway forming part of the Canadian National Railways between Bengough and a point at or near Willowbunch, in the province of Saskatchewan.

Hon. Mr. Haydon in the Chair.

Hon. Mr. DANDURAND: Honourable gentlemen, perhaps I may be allowed to explain the details. At the second reading it was understood that I should give the explanation in Committee. This is one of the three Bills which were rejected last Session by the Senate. It had come to us from the Commons, had been referrel to our Railway Committee and amended by that Committee, and had come back to this House. I do not remember whether we divided on the report or on the third reading, but it does not matter.

The Bill had given rise to considerable discussion in the district in which the construction of the line was projected. Three alternative schemes had for a long time been discussed in the southern part of Saskatchewan, and the same division of opinion was carried on in Parliament. The Canadian Northern had built from its line running to Moose Jaw a branch starting at Radville and proceeding westward towards Bengough, which was then the terminus of that branch. There is considerable mileage between Bengough and the American border, and naturally the people in that region were moving heaven and earth to get the location of the railway as near their home as possible. The branch line Bill which came to us from the Commons proposed that the line should start at Radville and run southward. There were those who held to the opinion that the line should start at another point on that small branch that runs to Bengough-at a station named Ritchie. There were also those who wanted the branch line continued at Bengough. The Railway Committee of the Senate felt itself unable to decide upon the best location and recommended that this matter should be left to the Railway Commission. The Bill was rejected by this House.

Now it comes to us in another form. It is proposed that a line be built from Bengough continuing the branch to Willowbunch, a distance of 27 miles.

The postponement of this matter for one year has had the result of giving the region

two railways instead of one. The Canadian Pacific had been building from east to west and from west to east. They have decided, through an understanding with the Canadian National, to continue their branch line eastward. Therefore the agitation which took place in the district regarding a better service has been appeased by the fact that the people there will now have the extension of the Bengough branch to Willowbunch and in the southern part the C.P.R. extension which will gradually come eastward and very likely connect up with their line which was going westward.

Hon. Mr. DANIEL: Would the Minister state just what special changes there are between the Bill as presented last year and the present proposal?

Hon. Mr. DANDURAND: The map I have in my hand is not a large one. Last year's Bill had for its object the building of a line from Radville, or from Ritchie, or from Bengough, westward, according as the Railway Commission decided. Our Railway Committee concluded that the location should be determined by the Railway Commission. The Bill expired in the Senate. Instead of allowing the Railway Commission to decide as to Radville. Ritchie or Bengough, the present Bill authorizes the Canadian National to extend westward to Willowbunch its branch line which starts at Radville and goes into Bengough. At the same time the Government as taken cognizance of the assurance by the Canadian Pacific Railway that they will continue eastward the line which they have started and which is passing between Eddyside and Buffalo Gap. So this region, which was to be served partly by a branch to start at Bengough and run westward, will now be better served by those two railway companies deviding the territory, the C.P.R. taking the southern part and the Canadian National retaining the northern. It had been stated in the Committee that there was money available in the bank from the proceeds of bonds issued by the Canadian Northern, with the guarantee of the Province, to build that line. That financial aspect, or that contribution of the Canadian Northern, which is now the Canadian National, did not appear in the text of the Bill.

Hon. Mr. DANIEL: Will there be any money obtained at all from the Province?

Hon. Mr. DANDURAND: No, there is no money paid by the Province. The Province simply guaranteed the bonds, and the proceeds of those bonds are in the bank under the control of the Province; but they are monies belonging to the Canadian Northern.

Hon. Mr. DANIEL: They are guaranteed by the Province?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. WILLOUGHBY: Unfortunately I happened to be called out for a moment. I know that country very well. This is an entirely different line from those projected last year. You can call it the Willowbunch line, but it is a short extension of an existing line by Bengough. But in going down through the country the C.P.R. proposes to serve—

Hon. Mr. DANDURAND: I have been explaining that through the Senate withholding its assent last year the country will be served by two railways.

Hon. Mr. WILLOUGHBY: The one in the Bill we have now, and this line from Assiniboia to the north down to Fife Lake. That is consolidated in a Bill I introduced for a line from Bromhead extending north towards Fife Lake.

Hon. Mr. DANDURAND: I asked the attorney for the Canadian National to explain to me the division of the contribution as between the proceeds of the bonds and what remained to be contributed by the Canadian National, and he writes to me as follows:

Referring to your question of this afternoon, I attach statement showing how the trust funds are held. You will notice that there is a balance in the Bank to the credit of the Provincial Treasurer of Saskatchewan of 1,202,825.24, and you will notice on the left hand side of the statement the descriptions of the lines in aid of which the guaranteed securities were issued. You will notice also that the Turtleford-Hafford branch is not one of the listed lines. It is a branch running easterly off the line marked No. 6, that is, the Jackfish or Battleford N. W. branch. The Willowbunch extension is an extension of No. 13 but is beyond the end of the 75 miles first guaranteed.

In order that we should apply these trust monies of one million two hundred thousand odd to the new branch lines, it was necessary for us to have the Saskatchewan Provincial Government pass an Act permitting the Lieutenant Governor to substitute new lines for the old ones listed. I attach a copy of the Act which we got through in March of last year. It was our intention had the Turtleford line or the Radville line of last year gone through the Senate to have arranged to have these lines, or parts of these lines, substituted in place of the old lines shown on the list. You will notice the substitution we arranged this year, before the Bills now before you were brought down, so that we are merely doing year what we would have done last year in respect of the application of the trust funds.

I do not know that I need go very much more fully into a discussion of the matter. I will put on Hansard a description of this line.

Hon. Mr. DANDURAND.

This line replaces the Radville S. & W.,—a bill for which was turned down in the Senate last year. During the discussion on the bill last year, it was suggested that if the Canadian Pacific Railway would build eastward into the Fife Lake territory, the Canadian National Railways would be prepared to withdraw from the territory south and west from Radville. Now the Canadian Pacific Railway is prepared to build into the Fife Lake district, not from the east, but from Assiniboia, with the idea of eventually running east from Fife Lake to cross about the territory proposed to be covered by the Radville S. & W. Line, the Canadian National Railways are undertaking their original proposal in that country,—the extension of their Maryfield Branch from Bengough to Willowbunch.

The justification of this line is the fulfillment of undertakings in the past to construct this line, and also that it will give rail communication to the town of Willowbunch, and shorten the road haul for the farmer in the district south of there.

It is figured the production from the area tributary to the line will be 650,000 bushels of grain on the average per year, besides 170 carloads of freight in and outbound composed of live stock, coal, lumber and merchandise. About ten miles road haul would be saved on the average to the farmers served by this line, and computing this to be worth $\frac{2}{3}$ cent per bushel per mile on the 650,000 bushels expected from this line, it would mean an annual saving to the farmers of \$48,750 for grain haul alone.

Although to build this line, it is estimated will cost \$945,000, arrangements have now been made with the Provincial Government of Saskatchewan to consent to the release of \$400,000 of trust funds, which had been previously raised for the purpose of construction of lines in the Province of Saskatchewan. This makes the amount to be voted by parliament \$545,000.

The explanation of the Provincial subsidy is as follows:

Some years ago the Canadian Northern Railway issued £2.817,000 of 4 per cent debenture stock guaranteed by the province of Saskatchewan. This issue was for the purpose of making good a guarantee by the province of Saskatchewan of securities for the building of certain branch lines to an amount of \$15,000 per mile. The average sale price was 96.84. Releases have been made from time to time until to-day there is a balance of \$1,202,825.24 in cash deposited in the Canadian Bank of Commerce and held in trust by the treasurer of the province of Saskatchewan on account of the Canadian Northern Railway. The bank pay on this balance 41 per cent per annum, which is released to the railway for the purpose of meeting the interest on securities; the amount of securities from which the deposit was derived amounts to \$1,242,074. The interest received amounts to \$51,120.06 per annum. The amount due on this portion of the securities is \$49,682.96, leaving a profit to the railway of \$1,437.10.

Neither the province nor the railway derive any benefit from the use of the principal, that amount, as before stated, being used by the Bank of Commerce in the usual banking manner.

This is the money which, by a Bill passed in 1924 in the House of Assembly of Saskatchewan, was made available for new lines, with the right of transferring some of the monies attributable to certain lines to others. The balance in the bank will now be divided between the Bengough branch, which is now under review, and the Turtleford branch, which will come up later on. Hon. Mr. WILLOUGHBY: Does that absorb all the monies under the Acts of the Provincial Government?

Hon. Mr. DANDURAND: Everything except this \$1,200,000.

Hon. Sir JAMES LOUGHEED: I should like to make some observations touching both these Bills. Someone has very properly said that the duty of the Senate is to check hasty legislation. I cannot recall any subject which so well vindicates the action of the Senate as the situation we find to-day. Last session there came down from the House of Commons two Bills, one making provision for the construction of 115 miles of road at a cost of \$3,706,000, and the other making provision for the building of 102 miles at a cost of \$2,313,-When those Bills came from the House 000 of Commons no provision was made as to the contribution of a subsidy from the Provincial Government or from any other source. When the matter was up for discussion in Committee, I think some officer of the Provincial Government-

Hon. Mr. DANDURAND: The Minister of Agriculture.

Hon. Sir JAMES LOUGHEED: —did make some reference to a possible subsidy; but there was nothing contained within the four corners of the Bill touching that subject.

Now we have practically the same two railroads before us on this occasion. What was known as the Radville Bill contemplated a road of 115 miles in length, and costing \$3,706,-That has now been reduced to 27 miles 000 and the cost is to be \$545.000 instead of \$3.706,-000. In other words we have escaped building 88 miles of railroad and apparently that section of the country is perfectly well satisfied with the arrangement contained in this Bill. When I say the cost will be \$545,000 I, of course, take into consideration the subsidies which will be paid over by the Provincial Government, amounting to \$400,000. That is to say, the total cost of the 27 miles will be \$945,000, \$400,000 of which will be paid by the Province, leaving an expenditure of \$545,-000 to be met by the National System.

Coming to the Turtleford branch, the Bill which came from the Commons last year made provision for the building of 102 miles at a cost of \$2,313,000. That is now reduced to 67 miles, at a cost of \$1,871,000. In this way we escape building 35 miles of railroad, and we secure from the Provincial Government a subsidy of \$801,000 making the net cost to the National System \$1,070,000.

The summation of the whole transaction is this: Provision was made in the two Bills of last session to expend \$6,019,000 upon the construction of 220 miles of road; we are now satisfying the public by this legislation with an expenditure of \$1,615,000 instead of \$6,-019,000, thus effecting a saving to the country of \$4,404,000.

My honourable friend did indicate last year that this subsidy was held by the Provincial Government; but it must be recalled that Parliament had no information upon that subject, and that the Bills made no provision for the contribution of that subsidy. How, it would have been applied afterwards, if applied at all, one of course cannot say. The only information we had was contained in the Bills as they came from the Commons.

Hon. Mr. BEIQUE: Anyway, there was only \$1,200,000.

Hon. Sir JAMES LOUGHEED: Yes. I simply direct the attention of the Chamber to this fact in vindication of the course which we pursued last session. I think it will stand to the credit of the Senate of Canada that we exercised prudence and caution in rejecting that legislation.

In the first place, last session there was a very marked division of opinion, particularly as to the Radford road, the parties themselves apparently not being able to agree upon how the road should be built. Three alternative schemes were suggested, and finally the arbitrament, so to speak, of the question was to be left to the Railway Commission. As to the Turtleford Branch it can scarcely be said that there was the same division of opinion; but nevertheless there was no unanimity upon it. To-day, however, we apparently have both sections of the country thoroughly satisfied, and, as I have said, we have saved to the country \$4,404,000.

Hon. Mr. DANDURAND: In justification of the Canadian National Railways I will simply draw attention to the fact that this \$1,200,000 was Canadian Northern money, which means Canadian National money. It was from bonds upon which it had to pay interest, so that money would have flowed into the treasury of the Canadian National at a given moment.

Hon. Sir JAMES LOUGHEED: It is hard to say what would have been done with it.

Hon. Mr. DANDURAND: I do not intend to recriminate over the action of the Senate last year. I simply draw attention to the fact that the Railway Commission could, perhaps, have brought about the agreement which has been come to by the two railways. It was for the Railway Commission to decide where the road was to go; possibly it would have named Bengough, and then we would have had a shorter route to finance. At the same time, I am quite satisfied that except for the loss of time—and I am not sure that there was any loss of time—the district will be well served by the two railways.

As to the Turtleford line, which will come next, of course for the moment we are saving money because we are not building as far as we would have last year. It will be for the Senate to decide when it will be judicious for the Canadian National Railways to take the next step.

Hon. Sir JAMES LOUGHEED: So far as the loss of time is concerned, I have yet to learn that the Canadian National Railways have made any marked progress with the building of the lines we passed last session.

Hon. Mr. DANDURAND: Unfortunately the Senate sat until nearly the end of July, and they lost the season.

Section 1 was agreed to.

On section 2—part of cost to be provided by Canadian Northern Railway Company and balance by Canadian National Railway Company.

Hon. Mr. GORDON: May I ask right here, how much has been spent on this road for grading?

Hon. Mr. DANDURAND: I had the figures, but these appeared last year in the statement which was published. I would refer my honourable friend to Hansard of last year, which contains the details. When we submitted the Bill we stated what had been expended on the railway.

Section 2 was agreed to.

Sections, 3 to 8, inclusive, and the schedule, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

TURTLEFORD BRANCH LINE BILL CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 69, an Act respecting the Construction of a line of railway forming part of the Canadian National Railways between Turtleford and a point in Township 48, Range 12, West of the Third Meridian, in the province of Saskatchewan.

Hon. Mr. Haydon in the Chair. Hon. Mr. DANDURAND. On section 1—power to construct and complete line described in schedule:

Hon. Mr. GORDON: What is the estimated revenue on this proposed road?

Hon. Mr. DANDURAND: We heard from the officers and engineers of the Company last year. They satisfied us that the territory was good territory, which was already settled, and that that branch line, like most of the branch lines in that region, would support itself. I do not see the honourable gentleman from Moose Jaw here. I think if he were present he would suport my statement.

Hon. Mr. GORDON: But since that time we have perhaps been enlightened as to the revenues of the road out there, and I was wondering if the opinion of the officers of the National Railways as given last year would tally with what they think at present on the We have it from the head of the subject. National System that last year the System lost on the transportation of grain over \$5,000,000, notwithstanding the fact that my honourable friend from Saskatchewan has so often told us that that is the paying end of the road. In view of this very large loss of the National Road on the transportation of grain, and of the possibility that more is known about the matter now than was known last year, I wonder if some of these branches should be built. I wonder if this one really should

Hon. Mr. DANDURAND: The memorandum which I have in my hand reads as follows:

Turtleford S.E., Mile 0-67. Grade now ahead of track-23 miles.	Cost.
Proposed in 1925-20 miles grade; 30 miles track	\$ 755,000
Proposed in 1926-24 miles grade; 37 miles track; 67 miles ballast	1,116,000
Less trust funds	\$1,871,000 801,000
Balance to be voted	\$1,070,000

It is proposed in 1925 to call for tenders for the grading of 44 miles, stipulating that 20 miles would be completed during the season of 1925 and the balance in the next year; to lay 30 miles of track during 1925 at a cost of \$755,000 in the year 1925. In 1926 grading would be completed, and it proposed to lay the track and ballast the same and generally complete the line to Mile 67.

The 23 miles of grading now completed was started in 1920 and completed in 1921. Beyond this, no other work has been done on the line.

This 67 miles is part of the Trutleford-Hafford line as submitted and passed by the House of Commons on 27th June, 1923, and 16th May, 1924, and in both cases thrown out by the Senate.

The district through which the line runs is generally rolling, with timber in places of small sized poplar in bluffs with prairie openings. It is largely a mixed farming area, but a considerable portion of the land is susceptible to wheat raising. The land is mostly taken up and there is considerable development, particularly in the vicinity of Meeting lake, or approximately half-way between Turtleford and Hafford.

The justification for this line is that there is a large number of settlers in its vicinity now such a distance from railway facilites that the road haul on their products is so excessive that it is almost prohibitive.

It is estimated that this line will produce on an average 1,400,000 bushels of grain each year, besides 500 cars of freight in and outbound, consisting of live stock, coal, lumber and merchandise. About 32 miles on the average would be saved the farmers in their road haul on the 1,400,000 bushels of grain, which it is expected this district will produce annually, and if this is taken as being worth $\frac{3}{4}$ cent per bushel per mile hauled, it would make an annual saving of \$336,000 to them for haul on their grain alone. There is invested at present \$207,200 on the right of way and grade, which is earning nothing. The business obtained from this line will mostly be subject to long haul, and thus contribute considerable business to other lines of the system.

Although to complete the line to Mile 67, it is estimated, will cost \$1,871,000 arrangements have now been made with the Provincial government of Saskatchewan to consent to the release of \$801,000 of trust funds which had been previously raised for the purpose of construction of lines in the province of Saskatchewan. This makes the amount required to be voted by parliament \$1,070,000.

I may add that there is considerable divergence of opinion as to whether the wheat haul is a paying proposition or not. My honourable friend knows of the opinion of the C.P.R. as to the money in the hauling of wheat. Although the exact amount of profit in the moving of the crops from the West is a matter which has yet to be settled, there is considerable to be said in favour of increasing the productive area in order to give the railway the long-haul rates, from which it will derive benefit.

Hon. Mr. GORDON: Here we have a branch line costing in the vicinity of \$2,000,000. We are told now that the probabilities are that there will be something over a million bushels of wheat available for transportation over that road, and in addition about 500 carloads of other freight. It is not long since I looked up the question and found that wheat was being transported to the head of the lakes at rates varying from, I think, 22 to 24 cents. Now, I would imagine that 10 cents out of that would be a fair portion as belonging to this road. If that is the case, it appears to me that the revenue to be expected by the road on the transportation of wheat would be about \$100.000 and whatever the 500 carloads of other freight would produce. So, much as we would all like to see the West and every other part of Canada served with railways and branch lines, it looks to me as if it was just a continuation of the orgy of expenditure in which the country has been indulging for some years. It does not look to me like a letting up at all, although the

country is in such a poor position to afford the money.

Hon. Mr. DANDURAND: Every one of our colleagues from Saskatchewan would declare that there is no railway branch in that province that does not pay.

Hon. Mr. GORDON: I agree with what the honourable leader says. I have very seldom heard a member from Saskatchewan, or members from some other provinces, oppose in this House the building of branch lines. They all say that the branch lines out there should be built very closely together. I believe some of them think they should run parallel through the whole country at a distance not greater than ten or twelve miles.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. GORDON: Many of them say that.

Hon. Mr. DANDURAND: Thirty miles.

Hon. Mr. GORDON: If we could afford it I would like to see them all built, but I do not think we can.

Hon. Mr. TURRIFF: My honourable friend, in the calculation which he has just made. allowing 10 cents for the carrying of wheat over the proposed branch and the balance for carrying from there down to Fort William, forgot to take into consideration that there would be profit made on the main line also.

Hon. Mr. GORDON: How much?

Hon. Mr. TURRIFF: Judging by the evidence given in the Committee of the other House, a great deal of the profit on both railroads, particularly the C.P.R., is made on the hauling of wheat in bulk. They haul it cheaply in big trainloads of 50 or 60 cars. That is where they make the money. Honourable members from Saskatchewan or other Prairie Provinces are quite right when they state that in any part of the prairie country where a branch line has a reasonable strech of country on either side it will pay. I have heard the Minister of Railways of the local Government of Saskatchewan make the statement that not one mile of the road on which they had guaranteeed bonds failed to pay for itself, and that the province could not have lost on those bonds if they had not been taken over by the Canadian National Railways.

Hon. Mr. GORDON: Who made that statement?

Hon. Mr. TURRIFF: The Minister of Railways in the Saskatchewan Government. I heard him make that statement, and it is quite correct. Many years ago I heard the late William White, General Manager of the C.P.R., make the statement—he told me himself—that if there were ten miles on each side of a branch railway built in any part of the prairies, that branch line was a paying proposition, not only for itself, but particularly for the system as a whole.

I would not support the parallelling of railroads. That has been done in some cases where it could not very well have been avoided, but generally speaking it has been done by the railways themselves. In my own constituency, when I was in the House of Commons, the Canadian Northern surveyed a branch line, and were ready to start construction the next year, but the C.P.R., under the clauses of their original charter, started in immediately to build right along the same line for a distance of 40 miles. You could throw a stone from one railroad to the other. The Canadian Northern said: "We may as well put a stop to this once and for all," and they went on building, although the C.P.R. had built first. There is no excuse for that sort of thing, and the Government on that occasion, I think, was to blame for allowing it to be done. The Government should have said: "If you go on and build those two branch lines, parallel to each other for 40 miles, you will never get another dollar from this Government to help you build branches or anything else." That would have stopped it quickly enough. But the Government did not say that.

Two roads will not pay where there should be only one; but in Manitoba, Saskatchewan and Alberta, not in the great northern stretches, but in that part of the country which has been opened up-where the branch line on each side land that produces wheat, oats and cattle-you have a paying proposition for a railroad. The argument has been advanced time and time again in this House that we should not build branch lines, because the Government roads have big deficits each year. If we did not build branch lines, what would be the result? The C.P.R. would build them. They have one main line down to the east, and they would have a clover field. The National Road, with two lines down to the east, two through lines from coast to coast, must be allowed to build branches, because the construction of branches is, to my mind, the salvation of the country. Feeders are needed for the supplying of freight, not only freight in, but also freight out. We pay big rates especially for freight cut. Get the country settled up. We heard a discussion today about people leaving the country. Can Hon. Mr. TURRIFF.

anyone blame a farmer who settled 40 or 50 miles from a railroad, having been led to believe that there was going to be a branch line built in his part of the country, and having starved there for years, and perhaps drawing wheat 50 miles, for looking around to see if he cannot do better? But give him a road within 10 or 15 miles and he will get along, and will also help to make the railways pay. I approve of these branch lines, honourable gentleman, and am glad that everyone seems fairly well satisfied to have these Bills go through. I am sure the result will be very beneficial to the railroads and to the country.

Hon. Mr. GORDON: In view of the information which is available to the honourable gentleman from the source which I mentioned, and the fact that grain transportation on the National line has been carried on at a loss to the road, I do not see how he can square himself by saying that all the branch lines paid.

Hon. Mr. TURRIFF: I did not say all the branch lines paid; I said branch lines in a prairie country, where you can grow wheat on either side and raise cattle, would pay.

Hon. Mr. GORDON: How is it there is a loss on the whole?

Section 1 was agreed to.

Section 2 was agreed to.

On Section 3—Certificates of Minister as to mileage:

Hon. Mr. DANIEL: Is there any power in this Bill or in the Government to compel the Province of Saskatchewan to provide the funds mentioned, or do you trust to their good nature, or what?

Hon. Mr. DANDURAND: It has all been arranged.

Hon. Mr. ROBERTSON: My honourable friend the leader of the Government intimated a short time ago that this money would in all probability have been available for use last year if the Bills then before us had passed. I think it would be well, perhaps, to clear up that point. It will be recalled that after those two Bills were rejected by the Senate last year the Prime Minister of Saskatchewan made some announcement with reference to using the money that was lying in the bank in Saskatchewan from the sale of the bonds of the Canadian Northern for the purpose of constructing those lines of which Parliament did not approve. It was thought and announced that the project would probably go forward immediately. But such was not the case, be-

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cause it was found that those monies were for the building of certain named branch lines, and could not be used for other purposes until the Saskatchewan Legislature passed legislation permitting the monies to be used for the construction of branch lines in the Province other than the specific lines mentioned in the original Bills which authorized the sale of the bonds. Therefore I think it would be leaving a mistaken impression to say that the money would have been available and would have been used for the construction of those lines had the Bills of last year passed.

Hon. Mr. DANDURAND: I will state the facts. I do not know whether my honourable friend was in the Chamber when—

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. DANDURAND: —I read a letter from Mr. Ruel explaining that in March of last year the Legislature, which was in session, passed a Bill apportioning the balance of the money which should go to the various branch lines. But included in that Bill was a clause allowing an alteration or a transfer of the money from one branch to another. The Radville branch was on that list. The Turtleford branch was not on the list, but in virtue of the powers contained in the Act, the Canadian National Railways intended asking that a certain portion should go to that line.

What occurred in the discussion to which my honourable friend refers was in answer to the accusation that the Senate had blocked the building of that line. The statement was made that there was enough money, \$1,200,-000, to build that line, and that the Canadian National Railways did not need to await the further action of the Parliament of Canada. My honourable friend will remember that it could utilize that money. I remember the incident very well, because I applied to the Railway Department to know why, if the amount was there, it should not be used in order to build that branch, because it was in that section that the noise was made. It was represented to me that that amount fell short of what was required by some \$34,000 or \$54,000, and that the Canadian National Railways had no right to start building, even with that money which was in the treasury, because it would have to use a certain amount which had not only not been authorized by Parliament, but refused by Parliament, so the matter remained in abeyance. That concerned the Radford line. But I suppose the excitement in that region has been appeased by the agreement that has been come to between the Canadian Pacific Railway and the Canadian National Railways under which they will have two railways instead of one.

Hon. Mr. GORDON: Were those bonds that produced \$801,000 sold previous-

Hon. Mr. DANDURAND: Oh, yes, they have long been sold. My honourable friend apparently was not here when I gave the statement. The money is in the bank.

Hon. Mr. GORDON: Yes, but how long has it been there?

Hon. Mr. DANDURAND: Oh, for a number of years. But the bank has agreed to give a little more interest on the money that it has than is needed to pay the interest on the bonds, so that although the money has been there it has not been idle; it has earned interest—a little more than was necessary to meet the interest on the bonds.

Section 3 was agreed to.

Sections 4 to 8 were agreed to.

The schedule, preamble and title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

DIVORCE BILLS

SECOND READINGS

Bill T4, an Act for the relief of Matthew Wilson Lazenby.—Hon. Mr. Daniel.

Bill U4, an Act for the relief of Evelyn Laura Herlehy.—Hon. Mr. Daniels.

Bill V4, an Act for the relief of Lois Kathleen Purdy.—Hon. Mr. Gordon.

FIRST READING

Bill A5, an Act for the relief of George William Quibell.—Hon. Mr. Turriff.

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

THE SENATE

Friday, June 5, 1925.

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

Prayers and routine proceedings.

PROSPECTIVE DATE OF PROROGATION

Hon. Mr. DANDURAND: Honourable gentlemen, a rumour left this Chamber this week to the effect that I had made some kind of official pronouncement as to when the Session would end. You will remember that

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when we were sitting with closed doors I said that I hoped to remain in your company till the 15th of July. That suggestion was received with such coolness that I will make an effort to persuade my friends of the House of Commons that we should prorogue before the 1st of July; and I may say that hopes are entertained by some of the prominent members of that House that it may be possible to prorogue before then, although I cannot give the exact date. This would indicate that the Senate will have to sit more continuously, and to-day I will move that when the Senate adjourns this evening it stand adjourned until Monday evening next. We may keep up with the work satisfactorily by sitting in the afternoons and sometimes in the evening.

Some Hon. SENATORS: Hear, hear.

DIVORCE BILLS FIRST READINGS

Bill B5, an Act for the relief of Alfred Percival Selby.—Hon. Mr. Haydon.

Bill C5, an Act for the relief of Charles Thomas Bolton.—Hon. Mr. Haydon.

Bill D5, an Act for the relief of Ada Durward.—Hon. Mr. Haydon.

Bill E5, an Act for the relief of Edward James Hogan.—Hon. Mr. Willoughby.

Bill F5, an Act for the relief of Roger Alexander McGill.—Hon. Mr. Blain.

Bill G5, an Act for the relief of John Perron.—Hon. Mr. Blain.

Bill H5, an Act for the relief of William Albert Everingham.—Hon. Mr. Blain.

THIRD READINGS

Bill T4, an Act for the relief of Matthew Wilson Lazenby.—Hon. Mr. Daniel.

Bill U4, an Act for the relief of Evelyn Laura Herlehy.—Hon. Mr. Daniel.

Bill V4, an Act for the relief of Lois Kathleen Purdy.—Hon. Mr. Gordon.

CANADA EVIDENCE BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 27, an Act to amend the Canada Evidence Act.

He said: Honourable gentlemen, this is a very short amendment to subsection 2 of section 5 of the Canada Evidence Act. It is somewhat technical. I will now simply move the second reading of the Bill, with the understanding that the Senate is not bound to the principle of the amendment. We can discuss it at greater ease in Committee.

Hon. Mr. DANDURAND.

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

OPIUM AND NARCOTIC DRUG BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 46, an Act to amend the Opium and Narcotic Drug Act, 1923.

He said: Honourable gentlemen, a number of amendments have been made necessary by the experience gained in the enforcement of the Opium and Narcotic Drug Act. An amendment is provided in the bill, in view of the fact that the courts have held that, under the law as it stands, a physician who may have graduated in a foreign country, but who has never been licensed to practise medicine in Canada, can legally sign a narcotic order. Another amendment provides authority to proceed by indictment against a physician who is a large trafficker. That was not provided for under the act as it stands. Another amendment authorizes procedure against a medical man who traffics in narcotic drugs under the pretence of practising medicine. There is also an amendment which provides for the confiscation of motor cars and other vehicles when used for any such purpose as that of transporting narcotic drugs. There are other amendments of a minor nature, which can be explained in Committee.

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

MEAT AND CANNED FOODS BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 73, an Act to amend the Meat and Canned Foods Act.

He said: Honourable gentlemen, there are two amendments in this Bill. Section 1 provides a definition of what shall be considered as canned foods under the provisions of the Meat and Canned Foods Act, such a definition not having previously been given.

The second section gives authority to the Governor General to prescribe the quality, dimensions, and character of cans or other containers in which canned fruit, vegetables or other products (with the exception of fish and Shell-fish) must be offered for sale. It also provides for the control of the quality, quantity, and weight of such products offered in such containers. This amendment is intended to give specific power to control the quantity or weight of products in these cans or containers, as such specific power was not previously given, and this had led to some confusion and possibly some unfairness in the past.

Hon, L. McMEANS: I would like to ask the honourable gentleman a question: T do not know that it is relative to the issue. Is this proposal going to involve this country in any more expense for the administration of the Department of Agriculture? Last year there was submitted to the House of Commons-I think, from the Deputy Minister of Agriculture-and passed by the Senate, a Bill which has cost this country a great deal of money without producing any result. I refer to the Act respecting the grading of eggs. I see by a report made in another place that last year \$200,000 of the money of this country was spent in connection with the grading of eggs, and, so far as I can gather, it has been the subject of a great deal of trouble among retail dealers. In the old days the Canadian hen was doing business in the same old style and nobody bothered about To-day, if a grocer sells a dozen of her. eggs, he must have them graded first, second, or third grade. Farmers or market gardeners in some of the outlying districts of Winnipeg brought eggs into the city and sold them in the usual way to storekeepers, who retailed them to customers. What was the result? You have a horde of officials up there-I think there are about 22 officials in one office-to look after the Canadian hen, and those retailers were brought into court and fined for carrying on the sale of eggs in the usual way. Of what benefit has it been to this country to spend last year over \$200,000 of the people's money on the grading of eggs and to throw upon egg producers and dealers a great deal Furthermore, of responsibility and trouble? this legislation has raised the price of eggs to the consumer. He is charged three or four cents more a dozen because the eggs have had to be graded.

Hon. Mr. PLANTA: They are no better, either.

Hon. Mr. McMEANS: They are no better. Why does the Government keep adding year after year to the horde of officials living upon the people, when the people are groaning under the burden of taxation to-day? If in a similar way you go on introducing Acts creating new departments, you will have deputy ministers, officials, and clerks ranging all the way from the Atlantic to the Pacific. What good is it doing?

I took occasion here a short time ago to mention an incident that occurred in the city of Winnipeg. From a certain pork butcher there the Governments themselves had bought cured meat to be sent to the city of Chicago

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and exhibited as the finest cured bacon that could possibly be found anywhere in America. Yet that man was not allowed to ship cured bacon outside of Manitoba. Although both the Dominion Government and the Provincial Government had bought this bacon and put it on exhibition to show its excellent quality, and although everything about the man's place was in good order, he found that if he sold a pound of that bacon in the province of Saskatchewan or anywhere outside of the province of Manitoba, he would have the Department of Agriculture jumping on him and threatening him with prosecution. If I wanted to have some of that bacon on my own breakfast table I could not, because it could not be brought down here. I think that in one or two cases they confiscated some of his product.

While I am on my feet I want to say that it is high time that the people of Canada were given some relief from this burden of what I may call fatherly protection. People are required to grade eggs, and they must do this, that and the other thing, while a horde of officials are living upon the public. There ought to be some remedy or some stop to it.

Hon. Mr. DANDURAND: Honourable gentlemen, there may be considerable truth in the statement of my honourable friend from Manitoba, but the blame, if there be any, still rests on our shoulders as well as on others. We passed the legislation. I have now in my hand some proposed amendments to it. Lately we referred to the Senate Committee on Agriculture a Bill coming from the Agriculture Department. This one is from the same Department, and I have no objection whatever to having it referred, after it passes the second reading, to the Committee on Agriculture, with one or two other Bills that I have. In the Committee we can hear the Departmental officials and obtain direct information from them. We can ask them for a statement regarding the organization of their inspectorship, with a 'view to determining whether or not the inspectors are too numerous and should be reduced in number by giving one inspector the right to examine three or four different kinds of products. Perhaps the inspection requires special knowledge. I do not know. If it is thought advisable for us to refer this measure to the Committee on Agriculture, my honourable friend will have an opportunity to meet the representatives of the Department of Agriculture and have a heart-to-heart talk with them as to the necessity for this inspection.

As to the usefulness of the work, I cannot in a haphazard way give an opinion. It is all being carried on, evidently, for the benefit of the consumer. He may not need all this protection, and some of it may hamper him in the exercise of his judgment or interfere with his freedom. It is for Parliament to say. Parliament has passed all this legislation. I shall be glad to have all these Bills emanating from the Department of Agriculture dealt with by our Agricultural Committee in the presence of the departmental officials.

Hon. Mr. McMEANS: I desire to point out to the honourable gentleman the fact, of which he must be perfectly well aware, that before a Special Committee of this House appointed to inquire into the cost of Government, evidence was given to the effect that the Deputy heads of Departments felt that their positions were more important according to the number of employees they had.

Hon. Mr. SCHAFFNER: That is what they said.

Hon. Mr. McMEANS: That is what they said. I think my honourable friend will agree that the country is being run by the officials, for the Ministers are in office for only a short time. The Deputy Ministers admitted before the Committee that the more officials they have in their Departments the more important they considered them, and consequently the greater salary they should receive.

Hon. Mr. DANDURAND: My honourable friend should not generalize to that extent.

Hon. Mr. McMEANS: This is the statement that was made. Though we know that the cost of the government of the country is going up by leaps and bounds, there is no retrenchment. We have spoken time and again in this House in protest; we have pointed to other countries, particularly to Great Britain, where the public expenditure has been reduced; yet the number of officials of this country is being continually increased, unnecessarily, and the cost to the country continually augmented.

Hon. Mr. McLEAN: The reason I sent over to the leader of the Government a sample of canned fish was that it is crayfish, put up by a firm in New Jersey. The fish are caught in British Honduras. What I would like to know is whether it is legal to allow that product to enter Canada as lobster. It is not lobster, yet it is coming into Canada as such.

Hon. Mr. DANDURAND: I will agree to send this Bill to the Committee on Agriculture.

Hon. Mr. DANDURAND.

The motion was agreed to, and the Bill was read the second time, and referred to the Standing Committee on Agriculture.

FRUIT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 117, an Act to amend The Fruit Act.

He said: The first section of this Bill repeals two grades of apples, crabapples and pears, namely, "Combination Extra Fancy and Fancy" and "Combination Fancy and C grade," as it has been found that, where packing is used, combination grades are undesirable, and there is very little demand for the same.

I will not proceed further in explanation, because I intend to send this Bill to the Committee on Agriculture.

Hon. Mr. SMITH: I wish to make a few remarks on the principle involved in this Bill.

Hon. Mr. DANDURAND: I do not see that there can be an underlying principle, because it is an omnibus Bill. There are three or four amendments. I would say that we shall not be bound by the passing of the second reading, but simply send the Bill to the Committee on Agriculture, where my honourable friend can be heard in the presence of the experts, and when the Bill comes out of Committee, we may take the opinion of the Senate on the principle, if there be one.

Hon. Mr. SMITH: I recognize that there is no special principle that pertains to this Bill, but there is a principle involved in the introduction of this and the previous Bill, especially the one that has just passed its second reading, which I should like to discuss. Bills are brought into this House with general provisions, giving Departments power to make very drastic regulations. That practice has been growing for many years. I can remember that years ago, when such Bills were brought in, the proposed regulations were printed in · the Bill, so that the members of the House were able to discuss them. That practice has altogether ceased, and Bills are now brought in from year to year providing that the Government may make all the regulations. From my experience in the last two years I have no objection to the regulations that have been made, for I have always found that the officials of the Department with which I have had to deal were courteous, that they consulted representative members of the different industries that might be affected, and that after such consultation, they passed

regulations that were agreeable to them. Some day, however, we may not have departmental officials who will do this, but they may be autocratic and pass regulations that will not be agreeable to those engaged in the industry. I want to provide against that contingency.

I know the reason for the present practice: it is to enable the officials to get these Bills through easily. If regulations are printed in the Bill, naturally considerable discussion in both Houses follows, and the Ministers, not perhaps being possessed of full knowledge of the details, would find difficulty in getting such Bills through. It is much easier to get a blank Bill through, and let the Department make the regulations.

Hon. Mr. DANDURAND: Would there not be another reason: the fact that the Department feels, from experience, that it may need to amend the regulations from time to time?

Hon. Mr. SMITH: There is nothing to prevent them from amending the regulations in the following year. I am not objecting to this Bill, provided that those engaged in the industry will be consulted. It seems to me that it is the duty of the Government, in making regulations, to consult those interested. In order to provide for that, I give notice that when the Bill goes to Committee I will move that the following words be inserted in paragraph a of subsection 3 of section 2:

After consultation with and advice of the Horticultural Society of Canada.

This Bill has to do with the regulations regarding fruit. Now, we have an institution called the Horticultural Council of Canada. which was organized two or three years ago. It is supported in some measure by the Government, and sustained by heavy subscriptions from various industries affiliated with the fruit-growers. This council was originally an organization of fruit-growers, who are recognized as having many matters in common with other members of the Council, and the industries comprise canned goods, jam, nurseries, seeds, wholesale fruit handling, All these industries have representaetc. tives on the board of the Horticultural Council, and my resolution provides that before any legislation is introduced it shall be submitted to that Council.

Hon. Mr. BRADBURY: Why not the consumer?

Hon. Mr. SMITH: The Government is looking after the consumer. I propose also to move in Committee that the Bill shall not come into force until 60 days after its enactment. At present it is provided that it shall come into force immediately after it is passed, which would afford no opportunity for anybody to make representations to the Government. Even after the Horticultural Council and the officials of the Government have passed upon the Bill, there may be thousands of people in Canada who may object to it, yet who have not been heard. I do not see any necessity for the Bill coming into force immediately. We have been doing without it for a hundred years, and I simply provide for a period of 60 days.

Hon. Mr. DANDURAND: These proposed amendments will be taken up and examined in the Committee.

The motion was agreed to, and the Bill was read the second time and referred to the Committee on Agriculture.

ANIMAL CONTAGIOUS DISEASES BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 150, an Act to amend the Animal Contagious Diseases Act.

He said: Section 6 (1) of the Act as it stands at present only remains in operation until July 1st, 1925. The present Bill reenacts this subsection without any change except that no time-limit of operation is now fixed, this being judged to be unnecessary. The Bill relates to compensation to be given owners of animals which are slaughtered.

The motion was agreed to, and the Bill was read the second time and referred to the Committee on Agriculture.

NORTHWEST TERRITORIES BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 151, an Act to amend the Northwest Territories Act.

He said: The Northwest Territories Act, chapter 62 of the Revised Statutes of Canada, 1906, is amended by adding the following paragraph after paragraph p of subsection 1 of section 8:

(q) The issuing of licenses or permits to scientists or explorers who wish to enter the said Territories and the prescribing of the conditions under which such licenses or permits may be granted in each case, and the penalties for infractions of such conditions.

Apparently there is nothing in the Statutes to regulate or control the invasion of our Northern possessions by foreign scientists and explorers. It is admitted that scientific research and investigation should not be unduly restricted, but it is thought that when such work is carried on by foreigners it should be done not only with the knowledge of this Government, but with its consent and written permission. This measure is introduced for the purpose of making it compulsory for foreign scientists and explorers to secure the necessary permission before entering the Northwest Territories.

I confess that to me this is an absolutely new feature in the treatment of foreign scientists. I invite the attention of the members of the Senate to the principle contained in it, if there be any principle, so that we may take it up next week and discuss it in Committee.

Hon. W. B. ROSS: I wish to say that this is a very common thing in other countries, and I think we need legislation of this kind. For instance, in Greece and all other eastern countries there are strict regulations on scientists who go there to make discoveries. They are not allowed to take out of the country what they discover. We have in Alberta a great collection of dinosaurs and other remains of that kind, and I think that the people ought to be allowed to keep them at home if they wish to, and not allow foreigners to take them. I think this legislation is quite in order.

Hon. Mr. DANDURAND: I do not intend to obstruct my own Bill, but I simply state that it is a departure, as far as I have seen it.

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

CANADIAN PACIFIC RAILWAY BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill Y4, an Act respecting the Canadian Pacific Railway company.

He said: Honourable gentlemen, this Bill, by the kind permission of the House, was put on the Order Paper to-day for second reading. It is a very short Bill, providing for two branch lines, one from Assiniboia to Fife Lake, Saskatchewan, and the other from Bromhead, Saskatchewan, westerly, the two ultimately making a link. These, together with the Bill which came up yesterday from the Canadian National Railway, replace the Radville line which we discussed. They serve the country now, and I understand the Canadian National and the Canadian Pacific management came to a joint and amicable arrangement.

Hon. W. B. ROSS: Not duplicating.

Hon. Mr. WILLOUGHBY: Not duplicating.

Hon. Mr. DANDURAND.

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

CHICKEN HADDIE TRADE MARK FURTHER REPLY TO INQUIRY

Hon. Mr. DANDURAND: The right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) asked me yesterday if the Department of Justice was not vested with sufficient power to interfere in case of an irregular trademark being granted. I am in receipt of the following letter from the Commissioner of Patents, Mr. George F. O'Halloran:

I have read in yesterday's Hansard the report of the further discussion on Hon. Mr. McLean's inquiry regarding the trade mark, "Chicken Haddies".

The only authority for varying or expunging the registration of a trade mark is given by Section 42 of the Trade Mark and Design Act, of which I enclose a copy.

Section 42 of the Trade Mark and Design Act is as follows:

The Exchequer Court of Canada may, on the information of the Attorney General, or at the suit of any person aggrieved by any omission, without sufficient cause to make any entry in the register of trade marks or in the register of industrial designs, or by any entry made without sufficient cause in any such register, make such order for making, expunging or varying any entry in any such register as the court thinks fit; or the Court may refuse the application.

2. In either case, the court may make such order with respect to the costs of the proceedings as the court thinks fit.

3. The court may in any proceedings under this section, decide any question that may be necessary or expedient to decide for the rectification of any such register.

Hon. Mr. McLEAN: If we could get a copy of the trade mark in question we would know just what is claimed, and whether it controls the whole of a certain kind of fish.

Hon. Mr. DANDURAND: I am quite sure that if the honourable gentleman would call upon the Commissioner he would show him the record.

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

THE SENATE

Monday, June 8, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS FIRST READINGS

Bill I5, an Act for the relief of Mary Ella Mackey.—Hon. Mr. Bradbury.

Bill J5, an Act for the relief of Melvin Grant Cowie.—Hon. Mr. Bradbury.

PRIVATE BILL FIRST READING

Bill K5, an Act to Incorporate the Mutual Plan Company of Canada.—Hon. Mr. Belcourt.

CONDITIONS OF DIVORCE BILL FIRST READING

Bill 4, an Act respecting Divorce.—Hon. Mr. Willoughby.

CHINA CLAY-ST. REMI D'AMHERST BRANCH LINE BILL

FIRST READING

Bill 169, an Act to amend an Act respecting the construction of a Canadian National Railway line from the end of the China Clay Branch to St. Rémi d'Amherst, in the Province of Quebec.—Hon. Mr. Dandurand.

CITY OF OTTAWA BILL FIRST READING

Bill 172, an Act to authorize an Agreement between His Majesty the King and the Corporation of the City of Ottawa.—Hon, Mr. Dandurand.

THE RAILWAY SITUATION IN CANADA INQUIRY

Hon. J. A. McDONALD rose in accordance with the following notice:

That he will call the attention of the Government to the railway situation throughout Canada at the present time, and will enquire what action the Government is taking to decrease the cost of administration.

He said: Honourable gentlemen, there are three things which are disturbing the public mind in Canada to-day: the railway situation, taxation, and unemployment. I go to the other House and I see there hour after hour given to trivial discussions; I see six weeks spent in discussing the Budget; but I have never seen any real, progressive attempt made to bring these matters thoroughly and frankly before the people of Canada. Before the end of the Session I hope to give my views on these three important subjects. To-night I intend to deal briefly with the railway situation and to give my ideas along a constructive line.

There is a small percentage of the people of Canada interested in the payment of income taxes—a few here and a few there throughout the country, perhaps even a few of the honourable gentlemen within my hearing at the moment. Then, there is a small percentage of the people of Canada, perhaps even a smaller percentage than those of the income tax class, who are interested in the

so-called foreign relations of Canada. Some of the most distinguished of these are members of this House. There is another section of the public of Canada who show some interest in tariff matters; some of these are here to-day; and with this section I must admit a kinship and fellow-feeling that stirs me to no great sympathy with some of the recent legislation along these lines. But all these sections of the people of Canada come together on a common ground of sympathy, if not of understanding, when we reach out and lay hold upon Canada's railway problem. This, to our understanding citizenship, is Canada's great cloud. It hangs over the future of our country, depressing those who give it thought and frightening the would-be investor in the country's future.

The man who knows that in the last five years this country of nine millions of people, with a national debt of two and a half billions of dollars, has further invested by cash advances, capital, and bond issues, the enormous sum of \$585,848,974 in our national railway, not including interest—I say that the man who realizes that fact and passes it over with merely a gesture of optimism, is not a citizen friend, but a citizen fool.

I am not a railway man, but there have been instances of the inexpert showing the way to the specialist, of the novice giving the experienced man the very suggestions he has needed. In this spirit, honourable gentlemen. I humbly suggest a method which I think merits the consideration of my honourable friends present, the Government of the day, especially the Minister directing the Department of Railways, and the experienced executives at present directing our railways, as well as the people from one end of the country to the other, who may not give their attention without benefit.

I believe that, second only to our present condition of over-expansion in railways, our greatest mistake is over-centralization of these nationally-owned railroads.

Centralization of authority in wartime may be necessary; indeed, I believe it to be necessary, provided the right directing genius is available; but surely a state of war is not a natural condition. I shall not likely meet opposition to that statement, but I would stress the point a moment. A country at war means a people entirely banded together to meet a common enemy, and success or failure means life or death. That seems to be the situation we are in to-day in meeting our railway difficulties. At least, we see ahead of us financial bankruptcy, or, provided we can work out of these difficul-

ties, economic salvation. But who will affirm that the people of a country at peace are moved by the same subserviency to authority or stirred to the same degree of blind effort and sacrifice, as when at war? Centralization of control in the operation of our national railways cannot succeed unless the citizens resident in the different sections of the Dominion, with widely divergent interests, are willing to pool their interests for advantages chiefly beneficial to one or two localities rather than to all. I say that it is not possible to obtain an executive who, by spending a portion of his time in the United States or across the water, a little more of his time in the city of Montreal, and an occasional excursion to the outlying parts of our Dominion, can operate an organization of such diverse service and in-terest as is in his hands. I have the greatest respect for the Chairman of our National railways. I acknowledge him to be a great railway man, and, further, I have a regard for the capacity of some of his assistants; but these men are not super-men. They are naturally inclined to build up an organization that will lighten their own tasks. They will be inclined to make rules and define regulations that their subordinates in distant sections of the country dare not deviate from. What railway employee is there in either British Columbia or Nova Scotia-and in referring to these I refer to all the provinces-who will undertake to defy this centralized authority, even though he is aware that the best interests of that part where he resides will be served by such defiance? I have had some experience in this matter of which I am speaking, and I say that not only could the head man in that section of the country not accede, in this instance of which I speak, to local conditions and requirements, but he could not succeed in having the central executive understand his viewpoint. The matter had to be taken up personally with the central power by persons outside the railway employ, and for a time this authority was even too busy to hear and understand the problem presented. Surely, honourable gentlemen, if I know of this and several other instances of the kind, they could be multiplied in number from coast to coast, and many of them are neglected and never receive their proper consideration.

Now, I have said that centralized authority tends to over-systematizing an organization, which precludes the possibility of giving to each part its proper measure of understanding and the sympathetic treatment of its needs.

Hon. Mr. McDONALD.

Ontario and Quebec have their own problems, but these should not be solved to the neglect of matters of moment and concern to other provinces. The Maritimes have their problems, the Middle West theirs, and the Far West theirs also—all of a different nature, but of equal importance in the building up and progress of our Dominion.

I will now pass to a brief discussion of some details of my proposal.

The Maritime Provinces have always protested against the absorption of the old Intercolonial into the National system. They have more than purely economic reasons for their protests; but these political reasons are well known to you and to the people of the country as a whole; I will not stress them here. I would propose that we revert to the old order of things and place again the Atlantic Division of the present great system in the hands of men who know the local condition and local requirements. I would do the same thing for the Provinces of Quebec and Ontario and the western sections of the country, as the interest of each may be determined by its geography.

I would place in charge of each division or district a Manager directly responsible to the Minister of Railways at Ottawa. It may be said that this would be centralizing authority over again, but this need not be so. Each Manager would have the same power that is now placed in the hands of one active operating head, and should have the sole right to appoint his heads in charge of the various departments.

The Division headquarters should be located as may be most convenient. The Directing Manager should be completely in control of his Division and reporting, as I have said, only to the Minister of Railways. I would have this Directing Manager devote his entire time and abilities to the interests of the railway in the Division which he controls.

If in this arrangement it were found advisable to establish an advisory board to the Minister of Railways, this could very easily be done by a regular meeting of all Directing Managers for purposes of needed co-operation and co-ordination. The Minister of Railways would very naturally be Chairman of this Board, and his deputy Vice-Chairman.

I have perhaps not sufficiently enlarged upon the duties of the Directing Managers. They would of course require to be men of large experience, broad vision, capacity for hard work, and thorough integrity—men who are not only capable of studying the needs and aspirations of the people of each Division, but courageous enough to say "No" when necessary. They should constitute a buffer between self-seeking people and the Minister of Railways, and work out their difficulties in Cabinet fashion, thus making the advisory or control board a court of last appeal.

It may be thought that a grave difficulty presents itself in securing men of the required qualifications to fill the positions of Directing Managers. I am not one who will agree to this, for I believe that we have in Canada a large number of experienced business men with the requisite energy, and possessed of integrity unsurpassed by any other people in any section of the world.

Now, honourable gentlemen, when we have organized along these lines we have got a sound business arrangement. We will have satisfied the various sectional requirements and created an opportunity for business rivalry and commercial competency that cannot but be of great value in working away from our present difficulties, and we will be following in the direction that other great business enterprises have taken.

In the commercial world we have seen in the past twenty years an unscrambled corporation making giant strides in the accumulation of great wealth. I refer to the great Standard Oil Company, which twenty years ago or less was cut into pieces, according to the States in which it operated. If I remember correctly, this unscrambling process was the direct result of a fear in the mind of the American people that in centralized control of oil there was being developed a dangerous commercial octopus. I recall a newspaper story of that time which told us how John D. Rockefeller received the court announcement authorizing the unscrambling of his great company. He was playing golf when the telegram was given to him. He was just about to make a drive. He read it, smiled and made a perfect shot. Now, time has proven that John D. Rockefeller's smile was of the knowing kind. He has said since then that the world is moving too much toward centralization in its commercial organization. Time has proven that the breaking up of the S andard Oil Company into numerous small companies was a good thing for Standard Oil investments. It has developed a rivalry between one section and another. It has enabled the controlling heads in the various sections to understand better the needs of those to whom they sell, and it has permitted them to go ahead and supply those needs without having to consider conditions in Kalamazco or New Mexico.

We turn to a different type of centralization, but one that we are all familiar with, and which perhaps possesses more analogous points

than our Canadian railways situation. I refer to the political organization of our Empire. Is there one honourable gentleman here today who would support in the smallest degree a centralization of the control of this great Empire? Each component part has its own interess; each commonwealth in this Imperial Realm must work out its own salvation for itself. True, there is an Imperial Conference which meets occasionally in London, and which, so far as I am aware, has done no great harm; but it was not always so. The domination and interference of Downing Street a hundred years ago and less was a matter of grave concern and-might I add?-of scme disgust. I read my history aright, centralized control of the British Empire was a curse and not a blessing so far as Canada was concerned, and to the decentralization of authority must be a tributed the Empire's solidarity and success to-day.

I believe that our National railways need the same procedure in treatment as was administered to Standard Oil, and the breaking up of control—control that has been found sc valuable in building up our Empire in prosperity and unbreakable bonds of affection.

I would divide the railway into sections, one from Fort William west, one from Montreal to Fort William, and one from Montreal to Hakifax. I am going to speak about the Maritime Provinces to-night. I know that a high morale is necessary to the success of the railway. In the old days when the Intercolonial was operated by our own men, in the way that I have outlined, not only was it not losing money, but it was making money; whereas to-day T am told that there was a loss of about \$5,000,000 last year.

To give you a practical illustration of the effect of one man in Montreal being in control, I will take an instance in my own experience, a few days ago. I went West to solicit business for one of the large manufacturing industries in the Maritime Provinces, and I got it. I came back to the Maritimes, and calling on the head of the railways there, told him the purchasers of my instruments were a little afraid that I would not be able to get it to them as quickly as if they bought it in the Province of Ontario. I said: "Will you keep a follow up check each day of where my instruments are so that I can re-He said: "Oh, no, we haven't got port?" time to do that, if you take the matter up with Montreal they may be able to do it." I went to another system of railways, and in five minutes they had my business.

I will give you another instance. A large radio station was built by the railway in SENATE

Moncton, and they had to have an instrument there to operate with. I approached them and asked to be allowed to bid, but they said, "Your instrument is not good enough." This happened in spite of the fact that Sir Henry Thornton had said-and I think he meant it-that Maritime interests should receive consideration. And after two months of running back and forth to Montreal I was allowed to place my piano in competition, and I won. Then, I know of certain cases in which there have been hundreds of cars on sidings in Ontario, while mills in the Maritime Provinces were closed down and mines closed because they could not get cars. If our own people where operating the road, they would come to my mill or to my factory to solicit trade, and there would be competition between the different sections, and competition would stir up business and breed men to look after it.

By the plan I have suggested every man who has business with or for the railways whether he is in the East or the West, will have a chance to approach the authority in his own locality, and have an answer, yes or no, and not the reply: "We have not time to deal with this matter," or, "You will have to take this to somebody else."

There is another matter to which I would like to refer. I hold in my hand a book published by and sent out "with the compliments of the Canadian National Railways, Grand Trunk System," outlining a route through Canada. I want to emphasize the fact that the route runs from Sarnia to London, from London to Hamilton, from Hamilton to Niagara Falls, from Niagara Falls to Toronto. from Toronto to Montreal and Quebec, and from Montreal to Portland. There is not a mention of the Maritime Provinces: not a word about the winter port at St. John. nothing about Prince Edward Island, "the garden of the Gulf of St. Lawrence," or the famous Bras d'Or Lakes in Cape Breton, or the Land of Evangeline; not a mention of Matapedia, or the Baie des Chaleurs, or the St. John River in New Brunswick-the Hudson of Canada-or Halifax Harbour with its Bedford Basin and Northwest Arm. Even Moncton, the hub of the Maritimes, is not mentioned. Portland is the whole thingwhy? The nigger is in the wood-pile; smoke him out.

I hope I have not talked too much, but I believe I am paid to come here and give the best thought I can to these problems. If I have not solved them, I have done the best I possibly could. I have laid before this House my solution of our present deadly railway puzzle.

Hon. Mr. McDONALD.

Hon. Mr. DANDURAND: Honourable gentlemen, if no other member wants to address the House on this inquiry of my honourable friend, I will state that it will be my duty to draw the attention of the President of the Canadian National Railways to the remarks of my honourable friend.

Hon. Mr. McDONALD: Pretty late.

PRIVATE BILLS

THIRD READINGS

Bill 40, an Act respecting the Ottawa Electric Company.—Hon. Mr. Belcourt.

Bill 42, an Act to amend the Toronto Harbour Commissioners Act 1911.—Hon. Mr. Macdonell.

SUPREME COURT BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 16, an Act to amend the Supreme Court Act.

He said: This Bill contains amendments to the Supreme Court Act which bear on dates of sessions of the Court, appeals from court of last resort, leave to appeal by provincial court of last resort, procedure in appeals, and notice of intention to limit appeals.

These amendments are suggested by the members of the bench of the Supreme Court. I will explain them in Committee.

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

DAIRY INDUSTRY BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 109, an Act to amend the Dairy Act, 1914.

He said: Honourable gentlemen, this is a Bill which can be explained much better in Committee, because it covers a number of amendments which are proposed to the Dairy Industry Act, and which are intended to render that Act more comprehensive, eliminating weaknesses that have become apparent during the administration of the Act in the past five years, and to provide heavier penalties for infractions.

I intend, if we take the second reading, to refer the Bill to the Committee on Agriculture.

Hon. Sir JAMES LOUGHEED: Of course, that will not exclude the Bill being considered by Committee of the Whole upon its return from the Select Committee.

Hon. Mr. DANDURAND: It will not exclude the right to refer the Bill to Committee of the Whole House if any member deems it judicious to do so.

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Hon. Sir JAMES LOUGHEED: I doubt the propriety of sending a public Bill of this character to a Select Committee, particularly a very small Committee, and then overlooking the more important step which awaits every public measure, of bringing it before the Committee of the Whole. Therefore I hope that when the report from the Select or Standing Committee comes in, my honourable friend will have the Bill referred to the Committee of the Whole.

Hon. Mr. DANDURAND: I believe my honourable friend is right in making that suggestion. I recognize that the Committee on Agriculture is small in number though weighty in quality; and I would urge the members who are interested in these Bills to appear before that Committee in order that they may suggest amendments. They can do so there, and express their views.

While on that subject I would like to remind honourable members of the Senate of the fact that we have two or three special Committees to which have been referred important Bills, and I would suggest that they treat those Committees with as much concern and interest as the work of the House itself. I hope that all those Committees will be fully manned when the Bills come before them.

The motion was agreed to, and the Bill was read the second time, and referred to the Select Standing Committee on Agriculture and Forestry.

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 111, an Act to amend the Live Stock and Live Stock Products Act, 1923.

He said: Honourable gentlemen, it is sought to amend the Live Stock and Live Stock Products Act in two or three particulars. Subsection 2 of section 4 is to be amended to provide that moneys received by commission merchants for the purchase of stock and money received from stock sales shall be placed in a shippers' trust account. Section 5 of the Act is to be repealed, and the new section is to provide for licensing, if considered necessary, those who operate as exporters of live stock, meat, poultry, eggs, and wool. Another section provides for the prohibition from sale of eggs unfit for human consumption.

This is one of the Bills that should go to the Committee on Agriculture.

Hon. Mr. McMEANS: Can the honourable gentleman inform the House as to what

expense is involved in the amendment of these Bills? I am a little critical on these matters, because during the few years I have sat in this House I have noticed that when these amendments go into operation there are a great many officials employed to put them into effect, and a great deal of expense in this way is put on the country, without bringing in any return so far as I can see. I think I would be justified in asking the honourable leader of the Government, when he moves the second reading of such Bills, to state whether they involve extra expense in enforcement, by the appointment of additional employees in the Civil Service.

Hon. Mr. DANDURAND: I would venture to affirm that there will be no extra expenditure in the case of most of these amendments, because the inspectorship must be fairly complete, as these Acts are now on the Statute Book and are being operated. But this is special information which honourable gentlemen and the members of the Committee on Agriculture will get when they have the Deputy Ministers and the experts from the Department of Agriculture before them. It has been said that there are inspectors all over the land for all sorts of things. In the Committee we may get all the necessary information, and when the Bill comes back to the Senate, we may take notice of any extra expense that may be involved with doubtful results.

The motion was agreed to, and the Bill was read the second time and referred to the Committee on Agriculture and Forestry.

DIVORCE BILL

SECOND READING

Bill A5, an Act for the relief of George William Quibell.-Hon. Mr. Turriff.

CANADA EVIDENCE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 27, an Act to amend the Canada Evidence Act.

Hon. Mr Robinson in the chair.

The Bill was reported without amendment.

THIRD READING POSTPONED

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

Hon. Sir JAMES LOUGHEED: I should like to ask my honourable friend if the attention of the Department has been directed to any case in which the present Act has failed to sustain an action for perjury brought under the conditions mentioned? Hon. Mr. DANDURAND: My honourable friend must have noticed the words that are struck out of subsection 2 of section 5. The Act as it stands on the Statute Book reads as follows:

"2. If with respect to any question a witness objects to answer upon the ground that his answer may tend to criminate him, or may tend to establish his liability to a civil proceeding at the instance of the Crown or of any person, and if but for this Act, or the act of any provincial legislature, the witness would therefore have been excused from answering such question, then although the witness is by reason of this Act, or by reason of such provincial act, compelled to answer, the answer so given shall not be used or receivable in evidence against him in any criminal trial, or other criminal proceeding against him thereafter taking place, other than a prosecution for perjury in the giving of such evidence."

The words that it is intended to strike out are the last: "in the giving of such evidence." It has happened that a witness who had asked and received protection under this clause has contradicted his own previous testimony and declared what is deemed by the Crown to be the truth. He cannot be prosecuted for perjury under this clause for having sworn falsely in another court or in another case. Because of the protection that he has obtained under the present clause, his testimony cannot be used against him if he is prosecuted. I do not know whether I make myself clear or not.

Hon. Sir JAMES LOUGHEED: You propose to exempt him from being prosecuted in perjury for a statement which he has made? I doubt the wisdom of that policy. The present law makes a person liable to prosecution in perjury if he has perjured himself, whereas it protects him in regard to any other statements which he may make.

Hon. Mr. DANDURAND: But this amendment does not protect him against prosecution for perjury.

Hon. Sir JAMES LOUGHEED: You are striking out certain words, and impliedly it does, I should think.

Hon. Mr. DANDURAND: No. It is not limited to "in the giving of such evidence." The witness can be prosecuted for having committed perjury in another instance, and the evidence that he has given in this case may serve to establish that he did perjure himself in another case.

Hon. Mr. WILLOUGHBY: It is very much wider than the old clause.

Hon. Mr. BEAUBIEN: Yes.

Hon. Mr. DANDURAND: Much wider. This amendment is being made in order to prevent the recurrence of a miscarriage of justice which occurred Hon. Sir JAMES LOUGHEED.

in Saskatchewan because of the inclusion in section 5 of the Canada Evidence Act of the words "in the giving of such evidence." The amendment is recommended by the Deputy Attorney General of Saskatchewan and the agents of the Attorney General of that Province who had charge of the prosecution in question. The matter was looked into by officials of this Department, and it was concluded that, having in view the original intent and purpose of the section, there was no necessity for inserting the words in question, and that no injustice would be done to any one by striking the words out, but that on the other hand the section would be considerably improved from the standpoint of the administration of justice. As the section stands now, where a witness objects to answer upon the ground that his answer may tend to criminate him the answer given shall not be used or receivable in evidence against him except in a prosecution for perjury "in the giving of such evidence." The effect of striking out these words is that such evidence may be used against him on a prosecution for perjury committed in any other proceeding.

Under the statute as it stands, if "A" committed perjury in one proceeding, and then in another proceeding told the truth. the latter evidence cannot be used against him on the prosecution for perjury, but under the amendment it could. The policy of the amendment is to remove the protection of the section so far as it relates to perjury, and this is, I submit, a wise policy, because the prevention of perjury is a fundamental necessity in the proper functioning of courts of justice.

That explanation is from the Deputy Minister of Justice, Mr. Edwards.

Hon. Mr. McMEANS: I cannot understand why the offence is limited. If it is proper that perjury should be excepted here, should not other crimes be excepted? Why is there a distinction drawn between the offence of perjury and the offence of murder, or arson or any of the other crimes on the calendar? Perhaps it is proper to amend the section in the manner proposed, but I think this is very hasty legislation. We have not had time to consider it. I think that a matter of this kind should be referred to Committee, where some authority would be produced. It is all very well for the Deputy Attorney General of Saskatchewan to send legislation to this Parliament, but other gentlemen in the country would probably like to have a little information, and may not have the same high opinion of the judgment of the Deputy Attorney General of Saskatchewan as this Government

Hon. Mr. DANDURAND: I am giving the opinion of the Deputy Minister of Justice of Canada.

Hon. Mr. McMEANS: Even so. I had the honour to introduce in this House a Bill to amend the very same Act, the Canada Evidence Act, but we have not acted hastily in regard to it. The Committee has deemed it wise to obtain the opinions of all the judges and all the attorneys general and as many prominent criminal lawyers as possible before

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passing the legislation. I have very grave doubts of the wisdom of rushing through amendments of this kind unless they are supported by some fundamental principle, or by some English authorities. How does this measure compare with the English Act? Does anybody know? Perhaps the Deputy Minister of Justice could say whether a similar Act is in force in other countries, and whether it has been found unworkable there, and could give us other information in regard to it. The idea I had in introducing the amendment to the Canada Evidence Act this Session was to follow the English Act, on which we had a great many decisions. We had something to go upon.

Hon. Mr. DANDURAND: The only principle involved was this. A witness could always refuse to give evidence by declaring that he was afraid to incriminate himself. That was the policy of silence. In order to break through that silence and obtain evidence which the Crown considered necessary for the carrying out of justice, protection was given to the witness if the matter was one on which he declared that he feared to incriminate himself; but the legislators who proceded us felt that though he might be given protection against prosecution for a crime, or participation in a crime, yet he should not be protected if he committed perjury.

Hon. Mr. McMEANS: In this one instance, where he was giving the evidence.

Hon. Mr. DANDURAND: Yes, where he was giving the evidence. But suppose that before a police magistrate a witness had made a certain statement under oath, and afterwards, with the protection of the court, feeling it to be in his interest to alter this statement, he declared that he had in his first testimony sworn falsely, but was now stating the truth, he could not be prosecuted for perjury. The Court of Appeal of Saskatchewan has declared that under the Act as it stands, the testimony given by such a person could not be used against him in a prosecution for perjury.

Hon. Mr. McMEANS: Does not the amendment go further than that? Does it not altogether remove perjury from the protection given?

Hon. Mr. DANDURAND: It maintains the right of the witness to be protected against any accusation for participation in a crime, but it leaves him open to the prosecution for perjury if he has really perjured himself. Hon. Mr. McMEANS: The intention of the amendment is to remove the crime of perjury from the section which protects the witness against prosecution on account of his own evidence. That is, he is to be absolutely protected against prosecution for murder, arson, burglary, robbery and various other crimes; you cannot use his evidence against him. But if he has committed perjury he does not get the benefit of the section.

Hon Mr. DANDURAND: No.

Hon. W. B. ROSS: I think, honourable gentlemen, this is a brand new Bill. It is entirely different in principle from the present Act, and I must say that I do not like it. A man who has given evidence two years ago may be giving evidence to-day, and it may be a very easy matter to work up a charge of perjury against him. I think you destroy the whole Act by this change. I do not like it at all.

Hon. Mr. DANDURAND: I do not share the view of my honourable friend. I would have much preferred that the question had arisen in Committee. I will not insist on our taking the third reading now. We may postpone it till, say, Wednesday, in order that my honourable friends may have all the necessary time to examine the question.

Hon. Mr. WILLOUGHBY: I think it would be well to consider it carefully in the interval. This is to my mind a very radical and wide change.

Hon. W. B. ROSS: A new Act.

Hon. Mr. WILLOUGHBY: Yes, in matters of perjury. It may be well to consider whether or not you are going to defeat your own pur-We want to open the lips of the man poses. to tell the truth, and if he will do it only on being given protection, perhaps you are advancing the ends of justice in protecting him. But when it is provided that he may be prosecuted for perjury if on an indictment, we will say, he gives evidence contrary to what he gave at a preliminary hearing, he may hesitate to speak, knowing that he exposes himself to prosecution for perjury for making statements which are directly opposite. The effect may be to close the lips of the man. I am thinking only of the expediency. I have no concern to protect the perjurer. He is the dread of all courts and committees.

Hon. Mr. BEAUBIEN: I think it might be well to delay the Bill. One thing that strikes me is this. If you protect a criminal against a certain number of crimes of which he might be charged, you certainly want to know from him the truth. You may have before you a witness who is willing to speak, but if he can tell a lie under oath without being punished for it, then you can expect, and you get, no assurance at all. The purpose of the law, I understand, is to open the lips of the man who is afraid of being convicted of a certain crime, but you want to be sure that he will speak the truth because he knows that if he does not, but perjures himself, he is liable to imprisonment.

Hon. Mr. McMEANS: The question ought to be looked into.

Hon. Mr. BEAUBIEN: I think that the Act ought to be examined. I understand perfectly well that, as far as perjury is concerned, you cannot protect a witness from prosecution, because if he is not liable to prosecution for perjury he is no witness at all.

The motion for the third reading was post-poned.

OPIUM AND NARCOTIC DRUG BILL CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 46, an act to amend the Opium and Narcotic Drug Act.

Hon. Mr. Belcourt in the Chair.

Hon. Mr. DANDURAND: I would ask that Mr. Cowan be permitted to come to the floor.

On section 1-definitions:

Hon. Mr. DANIEL: Paragraph (j) defines "Physician." It says:

"(j) 'physician' means a person registered as a medical practitioner and in good standing under the Act or ordinance governing the practice of medicine and surgery within the province or territory wherein is tendered any prescription or order for any drug bearing his signature;

The explanatory note on the opposite page states:

Section 1. These amendments are made necessary in view of the fact that the Courts have held that under the law as it stands, a physician who might have graduated in a foreign country, but was never licensed to practice medicine in Canada, could legally sign a narcotic order.

This proposed amendment not only excludes physicians of the kind referred to in the explanatory note, but it prohibits physicians who are licensed and are regular practioners of medicine in one province from signing an order of this kind in any other province. That is going much farther than the explanatory note intimates. Of course the occasion will not arise very often. For instance, a member of Parliament who is a physician, practising

Hon. Mr. BEAUBIEN.

in the province from which he comes, would be criminally liable under this clause if he signed a narcotic order in Ottawa.

Hon. Mr. CASGRAIN: They are not licensed to practice in Ontario.

Hon. Mr. DANDURAND: A physician is licensed by and for a province, or he is licensed by the Dominion Council. Even then he must get his license to practice in a province, and he must be a licensed practitioner in that province so that the druggist can accept his prescriptions.

Hon. Mr. DANIEL: I quite understand the drift, and what it means; but I complain that the explanatory note does not explain.

Hon. Mr. CASGRAIN: A good many doctors are here in Ottawa for the session. Suppose they wanted to prescribe for one of their own families, they could not get their prescriptions filled. That seems to be going very far. A man could not issue prescription for his children.

Hon. Mr. DANDURAND: No, he must be licensed in Ontario.

Hon. Sir JAMES LOUGHEED: I remember some years ago the Roddick Act was passed by Parliament, which made it possible for a man to be authorized to practice medicine in every province of the Dominion. Why should not the Federal policy prevail of giving recognition to a medical man of any province in the Dominion? It seems to me that we are simply stamping approval upon the narrow and contracted doctrine of provincialism. Why should not a doctor authorized to practice medicine in Quebec give a certificate if he is here, just as well as an Ontario doctor? Why should we say impliedly that a qualified practitioner is incompetent to give a certificate in such a case?

Hon. Mr. DANDURAND: If I could gather here a few dozen of the members of the various universities from the Atlantic to the Pacific, my honourable friend would have a good night of it trying to reconcile their different points of view.

Hon. Sir JAMES LOUGHEED: But we have already pronounced.

Hon. Mr. DANDURAND: After a considerable struggle the Roddick Bill became law; but my hon. friend will remember that it had to be concurred in by all the legislatures. The reason was that a province which had established certain standards in its universities would not allow the issuance of certificates by a physician coming from a province where the standards were deemed to be inferior. In course of time there may be less asperity.

Hon. Sir JAMES LOUGHEED: Not if we legislate as we are doing to-night.

Hon. Mr. DANDURAND: My honourable friend could not attempt to legislate on this point under this Act; he would go counter to the Roddick Act, the Federal act which has been agreed to by all the provinces.

Hon. Sir JAMES LOUGHEED: As I understand it, the Roddick Bill provides for the giving of authority to a medical man to practice in any part of the Dominion—and there are many who have availed themselves of it. This Parliament committed itself uncompromisingly to that principle. Now we are receding from it—

Hon. Mr. DANDURAND: No, my honourable friend is in error.

Hon. Sir JAMES LOUGHEED: —and in a matter that seems to me to be a very simple one, namely the issuing of a direction to buy a narcotic drug.

Hon. Mr. DANDURAND: My honourable friend is in error. The practitioner can qualify under the Roddick Act, but can only practice in a province under the Act if he has a license from that province.

Hon. Sir JAMES LOUGHEED: If we were dealing with the entire subject to-day we would authorize a man to practice his profession in any part of Canada. The only thing that stood in the way of according that liberty to the medical profession was the intervention of the provincial authorities. I hope this Parliament is not endorsing the narrowness which is reflected in the assertion of the doctrine that a province will prevent a medical man from going into another province; notwithstanding the fact that he has authority to practice in any part of Canada.

Hon. Mr. DANDURAND: That is the law.

The Hon. the CHAIRMAN: As Chairman of the Committee, I draw attention to the fact that this does not seem to exclude the Dominion registration.

Hon. Mr. CASGRAIN: If you take out "province or territory," it will be all right. We are dealing with the whole country.

Hon. Mr. DANDURAND: No, no.

Hon. Sir JAMES LOUGHEED: This is strictly provincial under paragraph j of section 1:

"physician" means a person registered as a medical practitioner and in good standing under the Act or ordinance governing the practice of medicine and surgery within the province or territory wherein is tendered any prescription or order for any drug bearing his signature.

Hon. Mr. DANDURAND: Of course, if he is in good standing in all the provinces, his certificate will go.

Hon. Sir JAMES LOUGHEED: You exclude the great majority of medical men.

Hon. Mr. DANDURAND: But that is the law. The provincial law is supreme. This matter was very carefully examined when the Roddick Bill was before Parliament. It was before Parliament for two or three sessions, and at last a formula was found that was satisfactory to the provinces.

Rt. Hon. Sir GEORGE E. FOSTER: And without that it probably would not have passed.

Hon. Mr. DANDURAND: No.

Hon. Mr. BEAUBIEN: A doctor in giving a prescription certainly acts as a physician; therefore, if I understand rightly, either he is entitled to practice exclusively within his province, or under the Roddick Act he is entitled to practice throughout the whole Dominion. Why do you put this in? If a druggist receives a certificate from a doctor who is not authorized to practice in a province, it is not a valid certificate. Then, why do you put this in the law?

Hon. Mr. DANDURAND: Because a druggist in a province is entitled to receive a certificate only from one entitled to practice in that province.

Hon. Mr. BEAUBIEN: That is right. That is all you say here. Why do you have to repeat it? It is already in the law.

Hon. Mr. DANDURAND: These amendments are made necessary in view of the fact that the courts have held that under the law as it stands, a physician who might have graduated in a foreign country, but was never licensed to practice medicine in Canada, could legally sign a narcotic order, and obtain supplies of narcotics from a druggist in Canada. The definition of a physician, veterinary surgeon and dentist, is simply to clarify the expressed intention of Section 6 of this Act.

Hon. Mr. McMEANS: The explanatory note merely says:

These amendments are made necessary in view of the fact that the courts have held that under the law as it stands, a physician who might have graduated in a foreign country—

Why do you not limit it to that? As I understand it, the Act as it is allows any doctor in Canada to prescribe. Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. McMEANS: Then the note is wrong.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: Why is the law more prohibitory against a doctor of a province in Canada than it would be against a doctor practicing in another land altogether? It is most extraordinary.

Hon. Mr. DANDURAND: I draw the attention of the Committee to the fact that the word "physician' had never been defined under the Act; it had never been defined in the Interpretation Act. We are now defining it.

Section 1 was agreed to.

Sections 2 to 5, inclusive, were agreed to.

On section 6-certain excepted preparations:

Hon. Mr. DANDURAND: The object of this amendment is to eliminate codeine from the Act, and to prohibit the use of heroin in proprietary preparations or household remedies.

Hon. Sir JAMES LOUGHEED: Why should a particular drug be absolutely eliminated?

Hon. Mr. DANDURAND: This is the result of the Conference at Geneva. It was agreed to strike out heroin.

Hon. Mr. DANIEL: The note says:

The object of this amendment is to eliminate codeine from the Act.

I have not got the Act here, and I do not know exactly what that means. Does it mean that the use of codeine is eliminated entirely?

Hon. Mr. DANDURAND: I am informed that codeine is not a habit-forming drug, and it has been so held by the Conference held lately in Geneva. Heroin is a very dangerous drug.

Hon. Mr. DANIEL: Is it going to prohibit codeine altogether?

Hon. Mr. DANDURAND: It will remove codeine from the Federal Act entirely, but leave it in the Provincial Pharmacy Act.

Hon. Mr. McMEANS: I understand that the risk of a heavy fine or imprisonment is so great that druggists decline to handle heroin at all.

Hon. Mr. DANDURAND: That is a good result. The doctors will still be able to prescribe heroin, but it will not enter into proprietary remedies.

Hon. Mr. McMEANS.

Hon. Mr. McMEANS: I have no objection to that; but I am informed that if a doctor prescribes it, he cannot get it.

Hon. Mr. DANDURAND: I understand that the practitioners have declared that they did not want to prescribe it, and it has been completely eliminated.

Hon. Mr. McMEANS: I have heard from a very prominent physician that people cannot get it at a drug store any longer. However, that is a matter of no consequence.

Section 6 was agreed to.

Sections 7 and 8 were agreed to.

On section 9-power of police officer to search for drugs:

Hon. W. B. ROSS: What is the note on that section?

The Hon. The CHAIRMAN: The note says that the words to be added to section 18, "and, if necessary, by force, to search any person here found," would empower

-a police officer to search suspected persons on the street for narcotics, without the necessity of having to first obtain a search warrant. This has long been advocated by the police authorities throughout the Dominion, in view of the fact that this time is the essence in the majority of these cases, where a police officer has reason to suspect that persons are engaged in the distribution of narcotics, or peddling them on the streets. At present they are powerless to act until they first obtain a search warrant, and of course, the time involved in hunting up a Magistrate or Judge, to obtain the necessary search warrant, in the daytime, is very con-siderable, and prevents the police from taking prompt and efficient action to apprehend these traffickers; not to mention the difficulties involved in cases of this nature at night, Saturday afternoons, Sundays and holidays, when the magistrates and judges are not available in the Courts. Most of these drug traffickers know that they are almost immune from search or being molested on the street, as the police have not the power to hold them up and search them for suspected drugs This, of course applies in most of the larger cities where the traffic is most extensive.

Section 9 was agreed to.

Section 10 was agreed to.

On section 11-schedule amended:

Hon. Mr. DANDURAND: This is simply to carry out section 6, to eliminate codeine altogether from the operation of the law.

Section 11 was agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

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NORTHWEST TERRITORIES BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 151, an Act to amend the Northwest Territories Act.

Hon. Mr. Beaubien in the Chair.

On section 1—issuing of licenses to scientists and explorers:

Hon. Mr. DANDURAND: I have an amendment to paragraph q which I will submit:

In the second line of paragraph strike out the words "who wish," and after the word "enter" add the words "any defined area or areas in."

The Hon. The CHAIRMAN: I will read the paragraph as amended:

q. The issuing of licenses or permits to scientists or explorers to enter any defined area or areas in the said Territories and the prescribing of the conditions under which such licenses or permits may be granted in each case, and the penalties for infractions of such conditions.

Section 1 as amended was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

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

THE SENATE

Tuesday, June 9, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill L5, an Act for the relief of Euphemia Tudor Slade.—Hon. W. B. Ross.

Bill M5, an Act for the relief of Marion Roberts Edmiston.—Hon. W. B. Ross.

Bill N5, an Act for the relief of William Morgan Floyd.—Hon. Mr. Willoughby.

Bill O5, an Act for the relief of Harry Iven Jones.—Hon. Mr. Blain.

Bill P5, an Act for the relief of Edith Smith.—Hon. Mr. Haydon.

Bill Q5, an Act for the relief of Mary Helen Wallace.—Hon. Mr. Haydon.

Bill R5, an Act for the relief of Elizabeth Ethel McSherry.—Hon. Mr. Haydon.

Bill S5, an Act for the relief of Wilbert Newell Hurdman.—Hon. Mr. Haydon.

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PRIVATE BILL

SUSPENSION OF RULE

Hon. Mr. GRIESBACH moved:

That rule 119 be suspended so far as it relates to Bill W4, an Act respecting certain patents of Accounting and Tabulating Machine Corporation.

He said: This is a Bill referred to the Commissioner of Patents, regarding the validity of certain patents which have lapsed owing to the non-payment of fees or failure to manufacture. The Company has been financially involved, but is now in a position to go ahead with the manufacture of machines covered by the patent. The Bill is similar in form to several that have been presented in the Senate this Session and last.

The motion was agreed to.

NATIONAL DEBT AND FISCAL POLICY

INQUIRY AND DISCUSSION

Hon. LENDRUM McMEANS rose in accordance with the following notice:

That he will draw the attention of the Senate to the enormous growth of our National Debt, and to the unsatisfactory condition of our Fiscal Policy, and inquire of the Government if it intends to change its Fiscal Policy this Session.

He said: Honourable gentlemen, I rise to make this inquiry with a great deal of diffidence, but in the hope that, after I have laid before this honourable House some facts and figures regarding the financial position of Canada, the honourable leader of the Government may give some explanation that will shed a ray of hope on the future of Canada.

Owing to the unsatisfactory condition existing in this country regarding our fiscal policy and our growing obligations, I am impelled to ask the indulgence of the House while I attempt to place before it some thoughts that have been running through my head during the last few months.

This country is, figuratively speaking, staggering under an awful load of public debt. The last figures show that our National Debt stands at \$2,419,000,843. This in itself is appalling, but it is not all. In addition to this, we have our railway obligations, which in reality are part of our national debt. On March 31st of this year, our commitment in connection with our railways was \$913,913,-083, making a total of what can be fairly called our Federal debt of \$3,333,000,756.29. This for a population of less than nine millions of people is appalling, and makes thoughtful people ask, how long can the taxpayer stand the pressure? It means a fixed charge for Federal debt alone of over \$370 for every man, woman and child in Canada. In the

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face of this alarming situation, we find no reasonable effort made to cut down expenses in any big way. The Government goes on making large expenditures entailing enormous taxation. The question now is, how long can the people stand the strain?

We find that this year alone the debt has been increased by \$2,059,932, and that the interest charges alone amount to \$129,185,911, which exceeds the total revenue from customs for the year, as stated on page 3,133 of the Canada Gazette for April 11, 1925, by over \$20,000,000.

For instance, and in addition to the enormous growth of our national debt, there has been no intelligent or earnest attempt made at retrenchment. Our expenditure on capital account is, considering the financial position of Canada, simply outrageous, and shows a contempt for public opinion and for the safety of our country that is very difficult to understand.

An editorial in the Ottawa Journal of Saturday May 30 puts the case in a nutshell, and I think I cannot do better than read it, so that the House may realize some of the reasons that are prompting me to address the House on this subject:

\$5,000,000 for Quebec Harbour

Upon the heels of a \$1,300,000 elevator for the harbour of Prince Rupert, comes a \$5,000,000 cash advance, for the Harbour of Quebec. Where in common sense's name is this piling up of overhead going to end? Nobody wants to stunt the growth of Quebec harbour. Everybody must want adequate facilities to take care of our trade. But what same mind believes, taking account of Canada's position, having regard to all the other essential factors, that Quebec harbour requires this five million dollar development at this time?

The Dominion Government, thus far, has advanced \$13,000,000 to the Quebec Harbour Commission. On this heavy amount hardly a cent of interest has been paid. The accrued interest unpaid already stands at \$8,000,000. Yet notwithstanding that all this money is owing, notwithstanding that not a cent of interest has been paid to the Dominion since 1887, notwithstanding that additional millions are owing to the banks, the Government chooses this period of debt and depression to put \$5,000,000 more into Quebec.

Some excuse for it would exist if the present port facilities were overtaxed; but who believes that? If they are overtaxed, if they are being used even to their full capacity, why has the port not been able to pay at least some of its interest? But the truth, of course, is just the contrary. For years, indeed, Quebec has been complaining that traffic was being diverted through other channels, that her facilities were lying idle; and we know to our cost what little traffic goes over the Government Transcontinental.

In fifteen years since 1911 Canada's population has increased by hardly a million. During that period we have invested in 22,000 miles of railway; have put millions in Halifax, millions in St. John, millions in Montreal, millions in Victoria, Prince Rupert and Vancouver. Last year alone the addition to the capital expenditure of our National Railways was \$118,000,000, nearly \$65,000,000 of which was for new construction and equipment. And during the same period we voted

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millions for a new bridge in Montreal, millions for a viaduct in Toronto, millions for elevators and other facilities in Edmonton, Vancouver, and Prince Rupert.

Where, we ask, is it all to end? Canada to-day is burdened with annual fixed charges of \$130,000,000 -more than half of our revenue. We are still facing railway deficits of some 50 millions a year. We have a war-peaked taxation that is seriously imperilling our industry and industrial development. Surely, under the circumstances, it is not the part of wisdom to keep plunging headlong into vast capital expenditures not vitally necessary to our growth.

We know very well how cases can be made out for all of these expenditures. We know how always they are rested upon the plea of national necessity. But the transcending national necessity to-day is that we should curb our expenditure, that we should try to get out of debt, that we should make some desperate effort to lighten the burdens that bear down upon our people.

Our Governments have not lacked for warnings. Our sanest minds, our soberest financiers, have again and again pointed the peril of the path upon which we march. The Journal in its humble way has protested unceasingly—at the peril of being labelled a pessimist —against seeming obliviousness to realities. But to no avail. The present Government, which took office on a cry of economy, whose 1919 platform rang with denunciation of extravagance and taxes, has sinned steadily against retrenchment. An increase in our indebtedness of 200 millions—a million for every week that it has held office—has been its record thus far.

Canada, to-day is being taxed in a very dangerous way. Last year alone, Federal Provincial and Municipal taxes took \$700,000,000 out of the pockets of nine million people, which was one-quarter of the value of the net production and one-seventh of the gross production of this country. How is this country to prosper under a continuance of that?

Within the past five years Britain has paid off hundreds of millions of her debt, reduced her taxation again and again, lowered living costs for her masses, and returned to a gold basis. She has done all of that despite collossal commitments, despite millions paid our for doles, despite continuing gigantic expenditure for defence. Within five years past the United States has paid \$5,000,000,000 off her national debt, decreased her federal taxation from \$55 to \$27 per head, and, associating protection of her industries with economy in expenditure, has given her people prosperity without parallel at this time. In Australia, in New Zealand, in South Africa, even in the little Irish Free State, budgets have been balanced, debts paid, taxes reduced, the cost of living brought down.

Only Canada among English-speaking nations, goes ever into debt. Mr. King, more economical of truth than of public money, says the debt has been reduced, and papers like the Toronto Star give parrot-like echo to his words. But look at the Canada Year Book, published by the Government, and these figures are found:

								Net debt
1921	 	 	 					\$2,340,878,984
1922								2,422,135,802
1923	 	 	 			••	••	2,453,776,869
1924	 	 	 	• •	••		•••	2,417,783,275

And this does not include heightened railway debt, which this Government keeps up as a separate account, but which the meanest intelligence knows to be a public obligation. The stark truth is that we are some 200 millions worse off than in 1921.

This editorial, coupled with the statement of our enormous national debt, reveals a serious situation, and one that fully justifies any honourable gentleman in this House in asking its indulgence while he tries to point, a way out of some of our difficulties.

Our farmers in the Western Provinces seem to think that a protective tariff policy for Canada injures them, and that free trade would be of assistance. Such a conclusion is, in my opinion, absolutely wrong. I submit that that no group or class in the Dominion of Canada would derive greater advantages than the farmers on the prairies under a real National Policy system founded upon fiscal arrangements which would protect all classes including our farmers.

A wise patriotic policy would reduce our purchases from the United States, and balance their purchases from us, thus stopping the yearly drain on our capital resources. Tt would provide a lever which would open preferred markets abroad for the surplus farm products of Canada, through bargaining tariffs. The prairie farmers seem to forget that the carriage of wheat keeps the railways busy for only a portion of the year, and that other freight is absolutely necessary to operate them at a profit for the balance of the year. Bv increasing our trade with Europe and Asia, through tariff bargaining, thousands of tons of additional freight and greatly increased passenger traffic would move east and west over the railways in Canada. The resulting traffic would wipe out Canadian National Railway deficits, which now burden every Canadian taxpayer, and benefit other transportation systems, reduce federal taxation and provide the only immediately practical basis for freight rate reductions.

This country is buying annually millions of dollars worth more goods from the United States than that country buys from Canada.

Statement Showing Canada's Trade with the United States

(Figures are taken from "The Report of the Department of Customs and Excise," except the 1924 figures which are taken from "The Monthly Trade of Canada" for March, 1924).

Fiscal Year ending March 31					Imports into Canada from United States	Exports into United States from Canada	
1910					\$ 223,501,809	\$ 113,150,778	
1911					284,934,739	119,396,801	
1912					356,354,478	120,534,634	
1913					441,141,562	167,110,382	
1914					410,786,091	200,459,373	
1915					428,616,927	215,409,326	
1916					398,693,720	320,225,080	
1917					677,631,616	486,870,690	
1918					791,906,125	441,390,920	
1919					746,920,654	477,745,659	
1920					801,100,700	501,130,117	
1921					856,176,820	560,701,936	
1922					515,958,196	304,104,177	
1923					540,989,738	380,347,721	
1924					601,295,339	441,650,861	
S-2	$6\frac{1}{2}$						

During the five years ending March 31, 1915, Canada bought goods to the value of \$1,200,000,000, from the United States in excess of United States purchases from Canada. During the five years ending March 31, 1924, Canada bought goods from the United States to the value of \$1,400,000,000 in excess of United States purchases from Canada. As a result, railway cars are coming into Canada from the United States filled with goods, and large numbers of these cars are going back empty or partially filled. These goods imported from the United States give the Canadian railways the minimum freight haul, for the practice of United States shippers is to use their own railways to the fullest extent in moving traffic destined to points in Canada. As a rule, these excessive importations from the United States are billed over United States railway lines to the last port of exit into Canada. It is only forty-five miles from the border ports of Quebec province up to the city of Montreal, and the great bulk of these imported goods destined to the province of Quebec find their market within fifty miles of the United States boundary. Thus, these importations furnish little earning power to

Within one hundred miles of the border ports of Ontario the great bulk of our importations from the United States destined to that Province are consumed, and again Canadian railways find little advantage or profit in hauling these importations in Ontario.

railways in Canada.

The great consuming sections of the Province of Manitoba lie within seventy-five or eighty miles of the American boundary, and the immense importations from the United States, for consumption within this area, are not of much profit or help to the railway problem in Manitoba. The same facts apply to all these importations from the United States, all the way through to the Pacific Coast, because the majority of the consuming centres of the Western Provinces are close to the United States boundary. Freight from the United States displaces freight which otherwise would travel east and west over Canadian transcontinental lines, also it displaces European freight which should land at Canadian ports, and be distributed through Canada by our rahlways. At present vessels are crossing from Canada to Europe filled with Canadian goods, and are coming back in ballast or only partially loaded. The figures of Canada's foreign trade establish the truth of this statement:

Statement Showing Canada's Trade With Europe (Figures are taken from "The Report of the Department of Customs and Excise," except the 1924 figures which are taken from "The Monthly Report of the Trade of Canada" for March, 1924).

Fiiscal Year ending March 31				Imports into Canada from Europe	Exports from Canada to Europe
1910	 	 		\$126,875,109	\$162,347,809
1911	 	 		146,162,320	149,687,387
1912	 	 		155,801,803	166,137,304
1913	 	 		189,156,317	200,367,189
1914	 	 		181,328,500	246,200,085
1915	 	 		116,425,089	245,273,869
1916	 	 		91,768,233	523,339,256
1917	 	 		122,359,819	844,762,650
1918	 	 		92,948,815	1,082,740,909
1919	 	 		80,545,452	687,862,409
1920	 	 		152,781,681	675,881,956
1921	 	 		265,468,746	516,444,912
1922	 	 		155,748,553	369,412,940
1923	 	 		180,043,241	462,281,292
1924	 	 	••	201,793,765	469,053,760

In consequence, ocean freights on Canadian exports are not as low as they would be if this Dominion's trade were better balanced.

In the interests of the Western farmers. Canada should seek to transfer its necessary importations, as far as practicable, from the United States to overseas countries which buy from us, and should stipulate that importations be brought by vessel direct to Canadian ports. The present conditions, both in regard to importations from Europe and from the United States, have a far-reaching effect on Canadian transportation and on the general prosperity of our country. Canadian railways lacking sufficient freight cannot prosper. Each additional annual deficit of the railways, by piling up railway indebtedness, increases interest charges, and sets back still further the time when rational reductions in freight rates can be made. Under present conditions, the farmers of Western Canada complain that they have to pay high freight rates to their markets, but any reductions made in these rates will surely be reflected in the deficits of the National Railways, which in turn can only be paid by extra taxation. Moreover, the farmers on the prairies are complaining of high freight rates in the price of everything they buy. They say rates are so high now that they constitute a heavy burden on farm and other Canadian industries. But the burden will surely become greater, as a result of yearly railway deficits, if present conditions prevail.

In view of the continued agitation of the wheat-growers of Western Canada on the question of freight rates, let us for a moment examine the situation, and see if the farmers

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of Canada, and especially the wheat-growers of the three Western Provinces, have any real grievance regarding the freight rates on their commodities.

I hold in my hand a very able review of the Railway Situation in Canada by J. L. Payne, a gentleman who, on account of his connection with the Railway Department for many years, is considered one of the best authorities on railways matters in Ottawa. On page 12 of his booklet entitled, "Will Canada Blunder Again?" referring to freight rates on grain, he puts the whole case in a nutshell, and I am going to read what he says on this matter in his own words, and leave it to the House and the country to decide whether there is any real grievance regarding the freight rates.

I would like to discuss this and ask the leader of the Government if he will give us some information as to the manner in which the Government of to-day is going to deal with freight rates and railway rates in general?

Hon. Mr. DANDURAND: My honourable friend knows what legislation is being brought before the other House, and the Order in Council that has been passed.

Hon. Mr. McMEANS: I intend to refer to it in a very few words, because I may say that I am looking for some ray of hope in regard to freight rates and taxation in Canada. Mr. Payne states:

It costs 27 cents to transport a bushel of wheat by lake and rail from Regina to Montreal, or \$9 per ton, including elevation and other incidental expenses.

It costs \$39.80 to transport a ton of merchandise in carload lots from Montreal to Regina, or nearly four and a half times as much as it costs to ship a ton of wheat in the reverse direction.

Within the compass of these two facts is comprehended the whole issue as to freight rates as it arises at the present time. It takes in the essence of all that is involved in classification. Speaking broadly, it costs as much to haul a ton of wheat from Regina to Montreal as it does to haul a ton of merchandise from Montreal to Regina; yet the "what the traffic will bear" rule discriminates very decidedly in favour of the grain growers.

Let us look, very frankly and analytically at this matter of freight tolls on farm products, and wheat in particular. Right at the threshold of that examination three facts stand out boldly. They are:--

1. That freight rates in Canada are the lowest in the world.

2. That the farmers of Canada enjoy lower carrying charges for their products than do the farmers of any other country.

3. That the grain growers of the West only enjoy specially favourable rates; but that nearly all other classes pay much higher rates in order to make particularly low rates to the farming class possible.

The writer has before him the average earnings per ton-mile of railways in nearly all countries. No other gauge of freight rates is so accurate or comprehensive, because it takes in the controlling factors of both rates and length of haul. Let some of them, for purposes of illustration, be given :--

Canada	987
United States	1.125
Sweden	3.830
Norway	4.411
New South Wales	3.202
South Australia	3.105
Great Britain	2.943
Brazil	6.010
and the second	

These figures are all for 1923. They are typical. They show that American rates are 14 per cent higher than Canadian rates, while the scale of freight charges in other countries is from three to six times higher than that which obtains here.

The facts just given establish incontrovertibly the statement that the grain growers of Canada enjoy rates much below these which their competitors have to pay in other countries.

Not only is that true, but it is also true that the farmers enjoy lower rates than do the Canadian producers of any other commodity. There are ten classifications. The first class includes merchandise and manufactures, into which has entered a high measure of human skill and labour. It pays the highest rate. Grain is in the eighth class, and live stock in the ninth. That means there are seven classes which pay higher tolls than do grain and live stock. The tenth class takes in such coarse and bulky raw materials as coal, sand, gravel and so on, which in themselves carry but a small measure of human skill and labour.

The difference between the charges for first-class freight and eighth class has just been shown. Yet it is peculiarly significant that the agitation which has brought about the present crisis comes from those who are concerned with the eight and ninth classes. Those who pay much higher tolls are not complaining.

The efforts now being made in Canada to force down rates on western grain have had a parallel in the United States. After agitating for many months, the appellants finally brought the matter to an issue before the Interstate Commerce Commission at Washington. A long and exhaustive hearing followed. After weighing all the evidence on its merits, the judgment of the Commission was that "we find the existing scale of rates just." That occurred considerably less than a year ago.

The point which appropriately demands consideration on this work of the line is, that American rates on export wheat work out on a level about thirty per cent higher than the Canadian rates. In all respects, the conditions of railway operation and grain marketing are essentially the same on both sides of the boundary.

A factor in that long hearing at Washington was the quotation of a finding by the Department of Commerce that the cost of producing wheat on the Canadian prairies, owing to lower overhead and other conditions, was 40 cents per bushel less than in the western states. If that is true, then it follows that the Canadian grain grower in the West has the double advantage of the lowest cost of production and the lowest carrying rates in the world.

I have read that statement, honourable gentleman, especially for the purpose of showing what is the opinion in the western country in regard to freight rates. I do not agree with that, and I am not one of those who say freight rates should not be reduced. While the Government of the day is discussing freight rates in another place—and the Crowsnest rates, I believe, are now limited to wheat and flour—they are always holding out the bait to the Western farmer, or to the Progressive Party, that freight rates are going to be reduced. In my opinion the Western farmer has been fooled by this procedure.

I suppose almost every honourable member of this House received a statement from the Western United States Railways, representing 67 railways, at the bottom of which appears the following:

Their petition for orders which would give them a net return of $5\frac{3}{4}$ per cent, means a request for about \$185,000,000 more than received by these railways during the year 1924.

How can the Government justify itself in holding out any hope to the Western farmers that freight rates are going to be decreased. Is it honest? No, a sop in the way of the Crowsnest Pass rates has been thrown to the Progressive, and now, in order to rid itself of the problem, the Government has decided to turn it over to the Railway Commission, giving it full power and authority to regulate rates, and in this way avoid any further criticism on the part of that party by which it holds its power.

Hon. Mr. DANDURAND: Does the honourable gentleman believe that the Parliament of Canada is the proper forum in which to discuss railway rates and fix them?

Hon. Mr. McMEANS: No, but I believe the Government of Canada has camouflaged too long. The work is put on the Railway Commission; then there is an appeal; then the matter is referred to the Supreme Court.

Hon. Mr. DANDURAND: The Government did not refer to the Supreme Court: there was an appeal direct by the appellants.

Hon. Mr. McMEANS: Am I not right in saying the Government refuses to make a decision?

Hon. Mr. DANDURAND: The Government was not to settle the law points until it was decided what interpretation was to be given to the Act.

Hon. Mr. McMEANS: My contention is that the people of Canada are being fooled at the present time. My honourable friend is a representative from the Province of Quebec. \$5,000,000 more is going to be given to the port of Quebec. How much has it cost the people of Canada to try to make a port there? \$200,000,000 was spent on that colossal blunder, the Transcontinental railway, so that freight could be carried to Quebec at a rate of six cents per bushel in 1916. That money was spent to make Quebec a port; but Quebec is not a port to-day. And what did the Government do? That rate was increased 400 per cent, up to 25 cents a bushel, and to-day

the rate on wheat from Armstrong to the port of Quebec is 20 odd cents. And still the Government comes to the people of Canada and takes another 5,000,000 out of their pockets to do something down at that port which has been losing money for the last eight or ten years, and which has never paid a cent of interest on the loans which it has had. This is another thing I cannot understand. I am looking for light. I say candidly to the honourable gentleman that if he can give me any information that will show that I am putting the case too strongly, I will be only too delighted to receive it. I would like some explanation of why the freight rate is so high on the Transcontinental, which was built at such great expense to make Quebec a port. It must be acknowledged that it has been a failure.

Hon. Mr. DANDURAND: Does my honourable friend think the \$5,000,000 advance to the Quebec Harbour Board is not smaller than the \$25,000,000 advanced by his own friends to the port of Halifax?

Hon. Mr. McMEANS: I am condemning the expenditure, and I do not care whether it was made by my friends or by gentlemen opposite. You are in power to-day, and I do say that some curb should be put upon expenditures.

Hon. Mr. DANDURAND: We are all agreed on that.

Hon. Mr. McMEANS: I am very glad of that. I was sure I would have the honourable gentleman's sympathy when I took that stand.

The elevator at Quebec handled only 5,000,-000 bushels of wheat and abcut 1,500 head of cattle last year, and it has cost this country about \$200,000,000 to develop. I would be more than pleased to see some reduction in the freight rates of the West, but I would like to have a true statement of the facts from those who are in power to-day.

If this statement is correct, and I have no doubt that it is, then it is fairly conclusive evidence that the farmers or wheat growers of Western Canada enjoy, in freight rates alone, a great advantage over their American competitors. Not only do they enjoy 25 per cent or 30 per cent less carrying charges on their products, but, according to the evidence adduced before an American Committee of Investigation, they are enabled to produce wheat at forty cents per bushel, less than the American wheat growers; so that it is fair to say that they occupy a very much better position than any farmers or wheat growers in the world.

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Now, if this is so, and I submit the evidence goes to prove that it is so, then why all this whining and destructive agitation carried on by a class who are enjoying so many advantages over their fellow competitors in all parts of the world

I believe that the Progressive movement in Western Canada has been brought about by lack of political foresight on the part of the Government. They are a group upon whom the Government of the Day depends when it comes to a question of want of confidence. I think it is only reasonable to say that when you take anything from the body politic as a whole, and hand it over to a class which represents a small minority, you are weakening the whole system under which we live. I am glad to say that I believe the Progressive movement is dying out, and that the farmers of the West are beginning to realize the position of the country and the failure of the present Government to build up the industries of the country, and the extravagance, and they will soon change their minds and go back to the old-time system of two parties, such as we had when the good old Conservative Party ran this country and ran it with success.

Hon. Mr. TURRIFF: They certainly will not go back to the Conservative Party.

Hon. Mr. SHARPE: The best of them will.

Hon. Mr. McMEANS: I have some statistics here taken from "Steam Railways of Canada," and will put them on Hansard. Since 1913, freight tonnage, originating in Canada for our railways, has increased very little.

Statement of Some Railway Statistics

(These figures are taken from "Statistics of Steam Railways of Canada," as compiled by the Dominion Bureau of Statistics.)

Year ending June 30		Tons originating on Lines in Canada	Tons received from U.S. Lines	Canadian lines single track, (exclusive of trackage rights	
1913	 	 56,829,297	27,317,214	29,303	
1914	 	 57,873,657	23,553,833	30,794	
1915	 	 49,257,996	22,134,119		
1916	 	 62,950,122	26,287,034	37,434	
1917	 	 67,134,164	31,330,530	38,604	
1918	 	 68,385,790	34,039,620	38,878	
1919	 	 61,022,577	30,326,787	30,057	
1920	 	 65,095,577	34,954,469	39,883	
1921	 	 55,323,943	28,406,886	39,771	
1922	 	 61,048,312	26,260,724	39,773	
1923	 	 67,888,328	34,370,605	40,094	

In 1923, the latest year for which statistics are published, the tonnage originating in Canada for our railways is only about 20 per cent

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greater than in 1913, but since 1913 the railway mileage in Canada has increased over $33\frac{1}{3}$ per cent.

Canada cannot much longer neglect the solving of her serious transportation problem. I do not need to dwell on the absolute necessity of the railways in Canada securing more revenue through increase in traffic. That must be admitted. By providing east and west freight to about the capacity of the railways, they would be able to pay their way, and develop conditions for lower freight rates, just as a factory operating to capacity produces goods at the lowest prices.

A real national tariff policy would, I submit, accomplish this result. It would develop the manufacturing industries, and consequently add still more to the volume of freight arising from the carriage of raw materials, semifinished and finished goods, and the volume of passenger traffic, by increasing the population. Thus conditions would rapidly develop, which would give lower freight rates both on goods shipped in to the farmers in the Prairie Provinces, and on their farm products shipped out.

A general tariff which would balance our trade with the United States would also cause the business men of that country to bring pressure to bear on Washington to prevent this diversion of trade. This would almost certainly lead to negotiations by which the markets of the United States could be opened to Western live stock. It must be clear to every thinking man that this country cannot open preferred foreign markets for our great exportable products by freely giving away our domestic markets, as we are now doing, to the products of other countries.

To open preferred markets abroad for Canadian agricultural products, this country must have a general tariff sufficient to provide a basis for successful bargaining. This is the procedure which nearly all other countries follow.

For instance, when the Government representatives of the British West Indies came to Canada to negotiate for an arrangement of tariff preferences between those British Dominions and Canada, they enumerated their principal exports, viz: raw sugar, cocoa beans, rum, limes, arrowroot, etc. They said to Canada: "You must give us substantial preferences upon these products, or no treaty can be negotiated." They wanted preferred outlets for their principal products in exchange for preferences granted in their markets to Canadian products. Thus they bargained with Canada and got an arrangement, under customs tariff rates. If they had not had a pro-

tective tariff, they could not have secured this preference for their principal exports.

When France opens negotiations with another country for a trade treaty, her negotiators always have before them the principal products of France which are exportable, and France by negotiating trade treaties seeks to develop markets for these exports.

France has greatly increased her customs tariffs in order to have a better basis for bargaining for special tariff favours from other countries. In the official journal of the Board of Trade Department of the British Government, issued January 8, 1925, page 54, it is stated that the reason why France is again increasing her tariff is that she may make reductions therefrom when bargaining with other countries for preferred markets for her goods, without such reductions crippling her own domestic industries, viz:

The Explanatory Memorandum to the French Bill, after referring to the general tariff revision now in hand, describes the nature and purpose of the present proposal, which is not intended to replace or delay the normal tariff revision, but is necessary to enable France properly to negotiate the important commercial agreements now under consideration. The Bill therefore proposes to increase tariff duties affecting French industries which, owing to the burden resulting from the war, cannot face unlimited foreign competition with the present duties, bearing in mind the fact . that goods from certain countries, at present subject to "General" tariff rates, will probably in future become entitled to "minimum" tariff rates, or to rates of duty intermediate between the "General" and "Minimum" tariff rates.

France realizes the wisdom of tariffs sufficiently high to protect and to enable her to negotiate successfully for preferences in foreign markets.

Another example: the United States controls the markets of Cuba by reason of exclusive tariff preferences arranged between the two countries. Similarly, she controls the markets of Hawaii, the Phillippines, Alaska, Porto Rico, etc.

In this country we are heavy exporters of farm products to Europe; yet, because little attention is being given to fundamental considerations affecting Canadian National development, nothing is being done toward opening preferred markets abroad for these products. Why this neglect of such an important matter?

France assesses very high duties, about 37 cents per bushel, on wheat. Spain assesses a duty equal to about 50 cents per bushel on wheat. In adition, these countries apply embargoes against importations. The effort of Spanish millers to obtain Canadian hard wheat is indicated by the following petition addressed to their own Government, soliciting the right to import Canadian hard wheat, viz:

Importations of Foreign Wheat

Madrid, May 6.—The discussion between the Catalan farmers and millers over the importation of wheat continues. The Millers persist in demanding the authorization to import 10,000 tons of hard Manitoba wheat, which they say, is absolutely necessary for their industry, and which they could obtain much more cheaply than hard Spanish wheat, for which they are asked up to 63 pesetas per metric quintal. There is no sign at present that they are likely to obtain this authorization. Reuters' Trade Service—Extract from Chamber of Commerce Journal, London, May 18, 1923.

These are only examples of many restrictions applied by other countries which serve to restrict foreign markets for Canadian products. Yet both these countries and other countries are large importers of wheat. They have to import large quantities of wheat because they do not produce sufficient for their own needs. However, the importations are restricted to an extent that makes it extremely difficult for them to obtain Canadian hard wheat.

This policy of driving hard bargains for preferred markets for their exportable products is not confined to France, Spain, and the United States. Italy, Switzerland, Belgium, Germany, and all the other European industrial countries pursue the same policy; and I submit the general tariff of Canada should be drafted along similar lines, so as to provide a lever with which this country could open preferred markets abroad for the surplus farm products of Canada.

Tariff Revision in Switzerland—Nature of the New Measure

The result of examination and enquiries extending over three or four years is now seen in the proposed new General Tariff. It is a Tariff for negotiating purposes. The rates on the majority of articles have been increased considerably, with the idea that high rates will prove a weighty instrument for negotiations with other Powers. Such a Tariff is regarded as particularly essential to a small country like Switzerland, whose national prosperity is so closely bound up with its export industries. Experience has indeed shown that, as the neighbouring countries are all strictly Protectionist, the Free Trade principles practised by Switzerland before 1902 are unfavourable to the national industry. (Taken from the Board of Trade Journal, London, England, March 19, 1925.)

So you see other countries move while Canada sleeps and her products suffer.

The present United States tariff is designed to prevent the importation of Canadian wheat and live cattle, except by payment of duties, which will raise the cost of such importations to almost prohibitive figures. The Congressional Reports, at the time when the present

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United States tariff was being considered by Congress, clearly establish the truth of this statement. And no change of this policy can come from the present Canadian policy of making free gifts to the United States of Canadian markets through reductions in the tariff of Canada.

Extract from the Report of the Emergency Tariff Bill, as submitted by the Committee on Ways and Means of the United States House of Representatives, April 13, 1921.

Wheat is one of the products which we have admitted to our country in large quantities which have seriously disturbed and depressed our domestic market to the great loss of wheat growers. The months of September, October, November and December are those during which the marketing of wheat is most active. During these months last year our markets were de-moralized by the receipt from Canada for domestic consumption of 32,777,889 bushels of wheat, a substantial portion of, it going to the Minnesota mills. This amount has since been increased by over 44,600,000 bushels. And still more serious, it is estimated that there are 35,000,000 bushels of wheat at Fort William, Canada, awaiting the opening of navigation, which will be within a week, to be shipped to American ports for domestic consumption. Domestic wheat prices cannot withstand the pressure brought by continually increasing our surplus by importation. As a result of these importations prices have declined rapidly, being now far below the cost of production, and the American wheat grower faces destruction. It is essential that this bill be passed quickly in order to prevent the dumping of the wheat just referred to, as well as other commodities mentioned in the bill.

This quotation shows conclusively how the Americans protect and guard their farmers and producers. Surely it is time we adopted the same policy by the use of a truly National Protective Policy.

Before the Great War every industrial country in the world except Great Britain pursued internal industrial development behind high tariff walls. Since the war, these walls of industrial countries have all been greatly strengthened and increased in height, except in Canada, where the opposite policy has been pursued. These other countries, by high tariff walls, exclude Canadian manufactures whilst urgently seeking Canadian raw materials. For example, this fact is described by the United States Government, officially, on page 265 of "Commerce Reports," No. 44, published November 3, 1924, in the following words:

Economically and socially Canada may be considered as a northern extension of the United States and our trade with Canada is in many respects more like domestic trade than our foreign trade with other countries. The movement of industrial raw materials from Canada into the United States and the return flow of a miscellaneous asortment of partly or wholly manufactured goods is not unlike a similar flow between the West and South, and the more industrialised northeastern part of the United States.

The foregoing is further substantiated by the United States Tariff Commission's report on its factories which manufacture asbestos. I quote this report as follows:

Known deposits of asbestos in the United States are entirely inadequate to supply domestic needs and, although efforts are being made by the Government to discover additional areas, it is probable that no very large deposits of the mineral exist in this country.

At present our chief source of supply is Canada, which supplies fully 95 per cent of the total annual imports. The bulk of the imports from Canada consist of "mill" fibre, and the rest "crude" fibre. Imports from other countries consist wholly of crude fibre, and come in largest quantity from Southern Africa—Rhodesia and the Union of South Africa.

Canada produces about 85 per cent of the total world output and exports about 90 per cent of its total annual production to this country.

The United States is the world's largest producer and consumer of asbestos manufactures. The total annual domestic production of asbestos textiles and manufactured textile products alone is estimated at from \$60,000,000 to \$70,000,000. This does not include the heavy asbestos products, such as shingles, slates, wood or lumber, paper and millboards, and pipe and boiler coverings, the production of which amounts to several million dollars annually.

Canada receives only from five to six millions of dollars for the crude asbestos which these great United States asbestos industries transform into goods valued at upwards of \$100,000,000.

The highly protected industries in other industrial countries, by export dumping, make it impossible for industries to develop in any country where extremely low tariffs are the rule. The largest factor in the cost of production is the price of labour. These labour costs cannot be reduced in Canada much below the level of similar labour costs in the United States, or Canadian workmen, who should have ample scope for their ambition in this country, will leave the Dominion and go to the United States, as they are doing to-day. We have ample evidence of this in the emigration of hundreds of thousands of Canadians who, because of hard times at home, have gone to the United States recently. To bring down costs of production, our factories must be in a position to produce to capacity, thus spreading overhead charges thinly on the output, permitting economical production and low selling prices. But, so long as our markets are flooded with surplus goods of other countries, which these other countries throw into Canada from behind their high tariff barriers, it is impossible for the industries of this country to produce to capacity. This depressed condition in Canadian industries reflects seriously upon the prosperity of our farming industry.

Prior to the adoption of the National Policy in 1878, the industries of Canada were almost exclusively fishing, lumbering, mining and agriculture. Under these conditions Canada could never have built and maintained the

Canadian Pacific railway, for there would not have been sufficient traffic to make the road pay. But, by developing industries in Canada, by a Protective Policy, adopted in 1879, railways were provided with additional freight. Without the industries in Canada, the railways would only handle the finished goods from abroad which agriculture, lumbering, the fisheries and mining enterprises consumed, and the products of these industries. It was only by developing our own industries under the National Policy, which was adopted by Sir John A. Macdonald in 1879, and which continued to be the policy of the Conservative Party up to its defeat in 1896-or for a period of eighteen years. Then Sir Wilfrid Laurier came into power-true, pledged to a free trade policy as they had it in England; but the history of his fifteen years of power shows that he, like his great predecessor, realized that Canada must have a real protective policy if it were to prosper; and we find that under these two great Canadian statesmen. Macdonald and Laurier, protection was maintained, and Canada's wonderful prosperity and great accomplishments were made possible by and through the adoption of this same policy. That built up our great manufacturing industry, giving employment to hundreds of thousands of men, providing a profitable home market for the products of the farm. By this policy industrial development proceeded and kept pace with the progress of agriculture, lumbering, mining and the fisheries.

Why, honourable gentlemen, if this country produced the textiles alone which are adapted to production in Canada, but which now are imported, over 50,000 additional carloads of freight tonnage of raw materials would be carried into Canadian textile factories.

And there is a window-glass factory idle at Hamilton. I am told no more efficient plant exists anywhere in the world. But equally efficient plants are established in Belgium and the United States. That the Hamilton factory is closed down is due to the lack of protection from countries where labour is cheap, such as Belgium, where the wageearner gets only about one-third the wage paid in Canada. The glass can be produced at Hamilton as cheaply as it can be in the United States, where living conditions are on the same high level as in Canada. But the low labour wage-scale in Belgium makes it impossible for this factory to operate without protection to Canadian wage earners. If it were operating to-day, there would be 2,000 carloads of raw material entering the factory annually, including pressed straw, box shooks, soda ash, limestone, sand, etc., all products of Canada. The producers of these raw materials would in turn be stimulated by their larger markets and would require more cars to handle raw material into their plants.

I may say just here, with regard to the glass factory in Hamilton, if I understand the situation rightly, that after they were forced to close down for want of a protection policy, and the Belgium glass came in, the price of the Belgium glass was higher than that of the glass manufactured in Hamilton. So the people in Canada did not gain anything from a reduction in price.

Then, we only produce about fifty per cent of the salt we consume; but this gives our railways 6,000 carloads per annum. If Canada produced the remaining 6,000 carloads, which we ought to do, but which are now imported, the production costs and selling prices of salt in Canada would be lower than at present, and hundreds of men would be employed and our railways would get this extra business, which would be considerable.

I submit this can all be brought about by the adoption of a real National Policy for Canada—a policy that would make Canada independent of the great nation to the south, and make this country something more than hewers of wood and drawers of water for American Industries.

What in my opinion would be a real National Policy?

It would protect every legitimate industry against outside competition; that is, it would raise the tariff sufficiently high to guarantee the Canadian markets to the Canadian producers. By doing this, we would enable all our great industries to run at full capacity, which would mean the employment of thousands of men who are now walking our streets. It would also be the means of bringing back to Canada thousands of men who have crossed the line seeking employment that they could not get in Canada on account of the fact that many of our industries were closed, and many more running on half time.

In addition to the employment of men, it would create a great protected home market for our farmers; and everyone who has given any thought to this question realizes that the home market is by far the best market for our farmers.

While I advocate a real Protective Policy, I would expect and insist on the manufacturers playing the game: first, by producing as good products as could have been imported from outside sources, if there were no tariffs; second, by treating the consuming Hon. Mr. McMEANS. public fairly, that is, by selling their products at a price that would be fair to the consumer.

I can well understand that there are industries that would find it almost impossible to sell their products to the consumer at prices equal to the price that similar goods might be imported for. For instance, take our market gardeners. It would be absolutely unfair to expect these men to compete against cheap southern labour and climatic conditions, therefore we would have to make allowances for conditions over which we have no control; and if the market gardener were giving to the people as a whole an equivalent for the increased price that he might receive for his product, that is, in the way of creating and stabilizing his industry all over Canada, and making this country thoroughly independent of any other country, as far as the market gardening industry is concerned, then I believe that the country would be justified in protecting this industry, and on the whole, Canada would be benefited.

This same argument might be applied to other industries; and where it could be demonstrated that the country was getting back, in the way of employment, thousands of men, and retaining in our country hundreds of thousands of dollars that otherwise would be paid out to foreign countries, and creating great home markets for our farmers, these circumstances would certainly be worthy of serious thought and might justify a Commission to decide that such industries were entitled to something more than imported goods could be purchased for. But, outside of these contingencies, which ought not to occur in many of our industries, the manufacturers, farmers and gardeners ought not and would not be allowed to profiteer and ask unreasonable prices on account of the protected markets which they were enjoying.

This, I believe, could be brought about by the creation of a small but expert Investigating Tariff Commission, which would be clothed with ample power, that would enable it to visit any and every industry, and to examine into every detail of production, so that it might assure itself that the protected industries were not taking unfair advantage of the protection given them. The findings of this Commission would be reported to the Government. The Government must assume full responsibility for every phase of the tariff question of Canada.

Then, again, a true National Policy would develop our coal mines. This is absolutely necessary if Canada is ever to become a great nation. We have immense coal deposits in different parts of this country. On the Atlantic coast we have great coal areas which can be worked advantageously, and provide all the coal that is necessary for the Eastern Provinces, including Quebec, and perhaps some portions of Eastern Ontario. In the Western Provinces we have wonderful coal areas-in Alberta and on the Pacific coast. All these coal areas should be developed in the interest of a fuel independence. This country must be made independent of our neighbours to the South on this question. It is not impossible to devise a policy that will bring the Alberta coal into Ontario, and the Nova Scotia coal into the city of Montreal. It may be necessary to subsidize to some extent our railways; but even if that were done. I believe it would be in the general interest of the people of Canada. This industry at present employs some 31,000 men, and produces about 40 per cent of the coal used. But if Canada adopts a policy that will supply the other 60 per cent of her coal requirement, this industry would then employ fully 70,000 to 80,000 men, and incidentally would support four or five hundred thousand people. This would provide a great home market for the farmers, and in addition would make Canada thoroughly independent of any country on the fuel question.

We at present pay yearly to the United States for coal an avearge of over \$70,000,000. This huge sum of money could be retained in Canada, and our coal-mining industry would become one of our greatest industries.

Why not develop our paper industry? To do this we must prohibit the export of pulp-Our cut of 3,500,000 cords of pulpwood. wood last year represented a value of \$188,000,-000, and we exported 1,400,000 cords of raw wood to the United States, receiving therefore \$13,000,000, or less than \$10 per cord. The 2,100,000 cords manufactured in Canada brought us \$175,000,000 or \$83 per cord, and gave employment to thousands of men, creating a great paper industry. If the 1,400,000 cords we exported had been manufactured in Canada before export, we would have received \$73 per cord more, or \$102,000,000.

If we are to benefit in full from our great natural resources, I submit they must not be exported in their raw state. At present we are little better than hewers of wood and drawers of water for our neighbors to the south, who have built up great industries by the use of raw materials secured from Canada. We supply the wood in its raw state to make fully one-quarter of all the newsprint used in the United States. I submit every cord of this wood should be manufactured in Canada, which if done would increase immensely our paper industry, give employment to thousands

of men, and add greatly to the home market for the products of the soil.

I would apply this same policy to our mineral products all of which, as far as practicable, should be treated in Canada. This would create other large industries, which would employ thousands of our people, and provide more markets for our farmers.

A courageous policy must be adopted if this country is to be saved from the doom that is looming on its horizon.

As I stated a moment ago, Canada produces 90 per cent of all the asbestos produced in the world, and the United States gets 90 per cent of this in its raw state. We get for this raw material an average of from \$5,000,-000 to \$6,000,000 a year. Our astute neighbor turns this into over \$100,000,000 worth of manufactured goods, and in doing so creates large industrial centres, employing thousands of hands and creating a large home market for the American farmer.

If Canada is ever going to be a great nation we must act promptly and stop the drain on our natural resources in their raw state. The policy that I suggest insures a large percentage of our raw material being manufactured in Canada, and the creation of large industries providing work for thousands of employees, consequently giving a living to hundreds of thousands of Canadian citizens, and creating a splendid home market for the products of the farm.

Surely the creation of great industries ought to be the aim of every citizen of this country. This, in my opinion, is absolutely impossible under our present tariff regulations. We have great natural resources, but they are not by any means inexhaustible. These resources are being drained out of this country by millions of dollars annually, going to build up great manufacturing centres, providing employment for hundreds of thousands of employees, and creating immense home markets for the farmer of the United States. Surely, honourable gentlemen, this is a suicidal policy for Canada.

I submit, we have never had a truly National Policy. True, we have had a protective system, which did much for the upbuilding of Canada, and which was maintained by both parties for a period of over thirty years, but it did not accomplish all that it should have done, largely on account of the continual tinkering that was resorted to from time to time—lowering the tariff, trying to please the advocates of a low tariff; and again, because the policy did not control the export of our raw materials, nor did it protect the consumer as a truly National Policy ought to do. Under this so called Protection Policy the manufacturers became "a law unto themselves"; the more unscrupulous members of that fraternity taking unfair advantage of the protection afforded by the state. In consequence of this fact and others, in many cases the products manufactured and sold to the Canadian consumers were very much inferior to the imported article, and the consumer was compelled to pay higher prices for inferior goods. This is one of the things that the consumer must be protected against.

These are some of the reasons why protection became unpopular, especially with the farmers, who felt that they were not being fairly treated, being compelled to pay higher prices for inferior goods, especially for farm machinery.

The complaint became general that many of the manufacturers enjoying protection were not playing the game. Now, I submit, a policy, such as I have outlined, properly enforced, would protect every class in Canada against unfair profiteering, and the industries of Canada would be placed on a sound business basis, and no class would benefit more than the farmers of this country, who would enjoy a very much increased home market on account of the development of the industrial centres throughout the country.

The creation of great industries would stimulate trade in all directions, and give to our railways the traffic that is so much needed to enable them to carry on successfully, and not only pay their way, but in a very few years much of the awful burden of railway debt would be lifted from the shoulders of the people of this country, and a great home market would be secured for the farmers of Canada.

After all, the home market is by far the most important for our Canadian farmers. Even now, with our rather limited industrial centres, we consume fully 90 per cent of our farm products excluding our wheat, and over 80 per cent including our wheat crop. This market can be very much increased by a truly National Policy that will protect all classes fairly.

Surely, honourable gentlemen, this home market is the important market to protect and develop in the interest of the real farmer. Why should the wheat-grower be permitted to command the situation in an effort to improve his own position at the expense of the real farmer who operates his farm twelve months of the year, and not six months, as in the case of 75 per cent of the Western wheat-growers?

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While I realize the handicap of the long rail haul that the Western wheat-grower faces, I think the facts that I have stated demonstrate that he is in a much better position than his natural competitor, the wheat-grower of the Dakotas and Minnesota, and all the wheatgrowing states, whose freight rates are all the way from 20 to 30 per cent higher. However, I believe the Government of 'Canada ought 'to do everything that is reasonable to help overcome the handicap of distance that the graingrower of Western Canada is up against; but it ought not to be done at the expense of the whole farming industry of Canada, which has suffered and is suffering from lack of proper protection and proper encouragement in the way of great home markets which Canada can and ought to have by encouraging more industries.

I venture to say there is no place in the world where the same class of people as those who have settled in the three Western Provinces could have accomplished one-half of what they have accomplished in the same time. If they have met reverses, they have simply been up against what every other class of people has been up against. I have no doubt that many of their troubles can be traced to the same cause that has brought trouble on all our cities as well as our rural districts, that is, extravagance. It seems that no class has been free from that, and all have suffered. The time has come now. surely, to pull together and realize that we have a great heritage that can be made greater by harmonizing our differences, and getting back to a sane position in the social as well as the business world.

I have only to add, honourable gentlemen, that it is a great blessing that Canada is probably the richest country in the world in the way of undeveloped resources; but how long are we going to be able to withstand the export of our natural products—our nickel, our asbestos, and our pulpwood? These things will not last forever; and if the cost of Government keeps on increasing year by year, thus adding to the public debt, then all that I can say is, God help the country.

Hon. Mr. DANDURAND: I take it for granted that no other honourable gentleman intends to rise to place upon Hansard his views on the present financial situation of Canada, or of exigencies which would call for some fiscal policy other than the one we have. That being so, I will answer my honourable friend briefly.

Hon. JOHN McCORMICK: Would the honourable gentleman permit me to offer some observations in regard to this matter?

I may say, honourable gentlemen, that I am in full accord with the sentiments expressed by the honourable gentleman who has just addressed you from this side of the House (Hon. Mr. McMeans). Population is generally regarded as one of the things most necessary to this country; and from year to year we are disappointed not only that immigration is decreasing, but that, as is acknowledged by every man who reads the press, we are losing population at the rate of 200,000 a year. What is the use of talking about making the railways a success if we cannot retain the population that we have? The reason for their failure is not far to seek. An honourable gentleman got up in this House the other day and made a statement that must have been surprising to others as well as to myself. He asked what was the use of manufacturing cotton or textiles in this country; in fact, he stated that we should not try to manufacture them because we did not grow cotton in this country, entirely forgetting the fact that they do not grow cotton in England, Ireland, Scotland or Wales, and that the bulk of the raw material manufactured in Great Britain has to be taken thousands of miles over the sea. It is no wonder this country is in its present condition when men in Parliament and professional men make statements of that kind.

Now, what do we find with regard to railway rates? We find men on the prairies complaining in recent years because they have not been granted concessions that have been denied to others. But not only do we find that; we find also that in some sections freight has been carried at a loss for the benefit of the people of those sections while others have had to bear the loss. These are some of the things that must be remedied, things that this House and Parliament must address themselves to. We cannot go on year after year losing population and thereby paralyzing industry. In the Province of Nova Scotia, as a result of want of policy or, in fact, as a result of discrimination, villages have been almost entirely depopulated.

What do we find on the Pacific coast as compared with the East as to the rates charged for carrying freight? The rate from the East to a place like Winnipeg is \$10.06 a hundred. the rate from the West is \$4.08½. The rate to Toronto from the East is \$2.12; from the West \$1.67. In the matter of fish which is almost entirely transported by the Government road, we find a discrimination against our people; and that discrimination is in favour of American fishing vessels, because our people have to pay a duty of 2 cents a pound when they send halibut into the United States. These are things that we think ought to be redressed.

The other day an announcement was made with regard to railway rates. It was stated in another place that the Railway Board would handle the question. That is a board of experts created by the statesman Sir Wilfrid Laurier, and no doubt it is composed of men who should handle the matter. But what is the suggestion? Under the Crowsnest Pass rates the farmers ship wheat and flour at less than cost; and it is provided that no increase on those rates shall be made. Therefore the Railway Board will be precluded from charging proper rates for those articles which constitute a very large part of the traffic carried by the railroads.

Yet, we have the statement of Mr. Long. Traffic Manager of the Canadian National Railways, that if railway rates had increased since 1923, in the same proportion as other commodity prices, the Government system would have earned \$35,000,000 more last year than in 1923. But we find that this matter of railway rates is to be placed in the hands of the Railway Board, which will be precluded from making any change in those things. Why should that be? Are the farmers of the Prairies in such a position that the other people of the country, already heavily taxed, should have no reduction at all? Is it reasonable that others should be called upon to pay high rates for the transportation of their goods in order to help to pay for the transportation of the flour and grain of the Prairie Provinces?

These are some of the things that cause dissatisfaction; these are some of the reasons why people are discontented and are leaving at the rate of 100,000 a year.

It seems to me that if there is an easy way of accomplishing anything without placing any burden on someone else, it is the most desirable way to do it. Here we are exporting millions of dollars worth of raw materials yearly. Here, in the year 1923, we have even the United States importing from this country 26,000,000 bushels of grain. What does that prove? It proves that they are not raising enough grain of that kind to meet their own requirements. Twelve million bushels of that grain were ground into flour for consumption in the United States. Fourteen million bushels of it were ground in the mills of the United States for export. The grain for export certainly had a remission of the duty, but the bran, the middlings, and the shorts from those 14,000,000 bushels of Canadian grain were available to people in the United States for the feeding of their stock. Employment was given to mills in the

United States to that extent. Even that quantity was insufficient to meet the requirements of their own country. Their production of about 700,000,000 bushels a year, only a small proportion of the quantity which is raised on the Canadian prairies, is not more than is required for United States consumption. Furthermore, 65 per cent of the flour used in the cities of Central and South America along the Atlantic coast is ground from North American wheat, almost entirely Canadian, but milled in and shipped from the United States.

Is there not in that fact something for this Government to consider? Let your Trade and Commerce people make an inquiry, without prejudice to the interests of the farmers or any other class. Let them ascertain to what markets of the world you are sending your flour and your wheat to-day. Be careful not to do anything that would interfere with the sales in the markets that you have already, or interfere with the possibility of increasing sales where you have a small market. Then, without using at all the word "retaliation." could not this be done? Could it not be provided that any country taxing our wheat, as is now being done, to the extent of 42 cents a bushel, or any country taxing it beyond. say, 15 cents a bushel, should pay a corresponding export tax on our wheat going into that country? Only a small proportion of the 700,000,000 bushels of wheat grown in the United States is of the quality of the wheat produced on the Canadian prairies. What would be the immediate effect? At present the export of Canadian wheat to the United States provides traffic for their railways and for their ships, which take it to the markets of the world. It is used down in the West Indies, in Mexico and in South American countries, as well as in Europe. The millers now receive back the 42 cents they pay in to the Government, but if we imposed an export duty of 40 cents, they could not get that back, and flour would cost \$1.50 or \$2 a barrel more to mill in the United States than in this country; the entire milling and flour business in connection with our wheat would be done in this country; and, as far as I can see, it would be without any prejudice whatever to the farmers of Canada. If such a duty were imposed by this country, where else could wheat be obtained? Not from the Argentine, not from Australia or New Zealand, not from India. From nowhere in the world, with the possible exception of the territory in Southern Russia and in Siberia, from which there is no reason to expect competition in the near future.

If the Government addressed themselves to some measure of that kind, it would in my Hon. Mr. McCORMICK.

opinion confer a real benefit upon this country. The advantage, as my honourable friend has said, would not be confined to the farmers. If we are going to build up this country, retain our population and make Canada a nation of importance, as its natural resources entitle it to be, we must have not merely an ordinary tariff, but as stiff a protective tariff as prevails in the United States. How can you expect the farmer, for instance, or the dairyman, or the fruit-growers, or the market gardener to prosper without protection? What does he find? It is more difficult and more expensive to carry on his business here than it would be south of the line, where there are two or three crops a year and the crops ripen earlier. No tariff worth while is imposed for the purpose of giving these people protection Conserve the market for the farmers and give them some encouragement to stay on the land. Do the same thing for the farmer and the dairyman as for the manufacturer and every other class. Encourage the mining industry as much as possible to carry on the refining of metals in this country. Do not send your asbestos down to the south, or over to Belgium, or to Germany in the raw state, getting only a pittance for it, instead of giving employment to your own people and increasing the value of the article.

I am in perfect accord with a protective policy of this kind, and I desire to express my entire opposition to the proposal that has been made regarding the Crowsnest Pass agreement. I do not see why it should be stipulated in that proposal that the Crowsnest Pass agreement shall be maintained. That is a concession which enables the farmers of the prairies to have their traffic carried at less than cost, and 15 or 20 per cent less than the American farmer pays for the transportation of his goods. A United States Commission has declared that it costs the American farmer 35 cents a bushel more to raise a crop than it does in our Prairie Provinces. Under these circumstances for what reason, or purpose, or intention, does the Government declare that the Railway Commission, composed of experts who are devoting their time and attention to railway rates, shall be precluded frcm having absolute control of those rates? Why should they be told, "You may change everything else, but you must leave the Crowsnest rates on grain and flour."

Furthermore, in our part of the country we are suffering from direct discrimination, of which this Government has knowledge. Fish is being brought in from British Columbia at about half the rate charged on our fish carried the same distance from the East. Why should that be?

Here is another thing I want to say. You may not all agree—there may be differences of opinion—about the questions concerning the people in the Maritime Provinces known as Maritime Rights, but there are very substantial grounds down there for complaint, and the grievances of the people of the Maritime Provinces are deserving of redress. Do not be under any misapprehension in this respect: the people are patient and tolerant, but such is the spirit kindling down there that, if these grievances are not redressed, but are allowed to continue, efforts will be made, I fear, to bring about a change in some other manner.

There is a range of 101 articles, manufactured in these two provinces, on which the protection given is from 20 to 35 per cent. What is the situation in the Maritime Provinces? We have there what you do not want. On our lumber the railway rates are prohibitive. You are discriminating against our fish. You will not carry them as cheaply as they are brought from the Pacific. You do not want our dairy products, because you produce more dairy products than you require. We have a coal and steel industry, and what do you do with regard to it? We have the finest, the only complete, steel plant in the Dominion of Canada, and for 14 or 15 years the tariff schedules have been left unchanged, without regard to the changed conditions prevailing in the last five or six years. The only alteration was that which was made a year or two ago, and which cut down the already too small tariff protection that was given to steel and iron. The harm that was done on that occasion is to a considerable extent affecting the coal and steel industries in the Maritime Provinces. Why should that have been done?

Whether this Government comes back after the election, or whether a new one takes its place, the duty on the 101 articles-textiles, etc.-will remain from 20 to 35 per cent, but the coal industry is now given a protection of only about 10 per cent. The products manu-factured in the plant at Sydney are articles in the first stage of manufacture-bar iron, rails, and that sort of thing; whereas the articles produced in the factories up here are more diversified, and in manufacturing them use is made of iron and steel in the finer stages, and on them you have a protection that reaches to 25, 30 or 35 per cent. There is also provision that at the request of certain people, or under certain conditions, there may be obtained a reduction of duty.

Yesterday I met a man who is well acquainted with the hardware business in this

country, especially in these two provinces. He was across the line, opposite Prescott, and was selling stoves of the kind that some of the people there used. He found that, although parts of stoves were brought into this country at a duty of 15 per cent, he had to pay 40 per cent on his stoves sold in the United States.

Conditions must be investigated. No reasonable man can expect to compete with the United States under existing circumstances. The people living in Canada are not superhuman. How can we stand up against a country with such organization, such wealth and such diversification of industry, unless we How can we retain our have protection? population in the face of the attractions that are offered over there, unless we put on a tariff. Let us not be afraid to do it. Do not be scared because people will ask, "Why should we manufacture cotton in this country?" Put on a tariff, and make it good and stiff. If you make any mistake about it, make it too high. Provision can be made in the tariff to curb those people who would take advantage of the Canadian consumer. They could be deprived of tariff protection.

I have something further to say on this subject, but, having no notes, I will limit my remarks. Take the question of an export duty on wheat. I want to know—I want somebody to tell me—what harm could be done by imposing such a duty. Would it not transfer business to this country and give it to our own mills, provide employment for our own people and business for our own railways, and more traffic for our steamers, whose traffic you are trying to develop?

We were hopeful that a trade arrangement had been made with Australia, but we find now that it is tied up. The Australian Parliament has been in favour of it, but it is now awaiting action on the part of Canada. The reason why the proposed arrangement is delayed is, so far as we know, the influence of the United States manufacturer. His influence over here is strong. The people of Australia have increased from 25 to 75 per cent the proportion of labour and material of British origin that must be in the goods imported into Australia under preferential treatment. This will exclude from the preference American manufacturers of automobiles in Canada. Automobiles form a large proportion of the imports down here. The attitude of the Government shows you the impolicy in the long run of doing what they are doing. If the steel and other material used in the automobiles were made at Canadian plants, we would have no tie-up as we The whole thing seems to be have now.

without any plan, without any consideration, without any idea of encouraging industry and employment and progress and the development of the country as a whole.

I complimented this Government and thanked them for having, in view of the desperate conditions in Nova Scotia, given us a slight advance on the import duty on American slack coal. But when you look at the situation you find this. Up in the city of Hamilton is a coke plant manufacturing 320 tons of coke a day. The purpose is to supplant American anthracite. That is a splendid thing to do. We hear people talk about encouraging coal production in the Maritime Provinces and coal shipments from there, but the duty of 50 cents that we impose in order to prevent coal coming in by the St. Lawrence is handed back to those people when they import slack coal to manufacture coke in the city of Hamilton.

Hon. Mr. DANDURAND: Can the honourable gentleman give us any reason to hope that Cape Breton coal can ever reach Hamilton?

Hon. Mr. McCORMICK: I expressed not only my hope, but my conviction, as to what would happen if certain things were done. If you can get the canals from Lachine up to Lake Ontario deepened to 22 feet, I venture to say that in ten years you will have all the bituminous coal you want hauled as far as Toronto and Hamilton. And you need not get that in from any present source of supply; you can get it from an entirely new field in the Island of Cape Breton, in the county of Inverness. The Government of this country have a line running up the shore. through that district, and have the option of buying it in two or three years. There is in that district, as my honourable friend opposite is aware, as fine a seam of coal as there is anywhere, with the exception of the old Sydney. It is eight feet thick. There is nothing less than five feet in thickness. One down at Broad Cove is fifteen feet thick, and that, a coal operator told me the other day, is one of the finest seams in the whole Province of Nova Scotia. With terminals at the Strait of Canso, with pockets such as we have at Sydney and North Sydney, with an arrangement for delivery at these new ports of entry, and with the deepening of the canals to admit vessels of 4,000 or 5,000 tons, I say that in ten years there will be a new source of supply; you will confer a great benefit on the Maritime Provinces, especially on the Island of Cape Breton; and at the same time you will relieve Ontario of the Hon. Mr. McCORMICK.

menace of being frozen to death because of an embargo on American coal during a strike.

These are only rambling remarks; but on some other occasion I hope to bring before the House several matters of a kindred nature. I hope that the honourable leader of the Government will take this question into consideration and will make representations to the powers that be, as to the discrimination against the Maritime Provinces. Fish are admitted on the Pacific coast, for consumption in Canada, at one cent a pound. On the other hand, if we send fish down to Portland or Boston, the duty is two cents a pound. The charge for bringing fish from the coast eastward to Winnipeg or Toronto is only half of what is charged for bringing it from the Atlantic. I draw this matter to the attention of the Government and hope that something can be done to remove this discrimination. I know that recently a slight reduction was made from \$2.12 to \$2, on shipments to Toronto; but still there is a heavy discrimination against the Maritime Provinces, and God knows we have enough trouble down there without such discrimination.

Hon. R. DANDURAND: Honourable gentlemen, there is one feature of the speech we have just heard which surprises me considerably. My honourable friend cannot see why the Government proposes to retain the Crowsnest Pass rates so far as they relate to flour and wheat. I thought we were all agreed upon giving favourable treatment to the West when it came to the fixing of rates.

Hon. Mr. McMEANS: I had no objection to that.

Hon. Mr. DANDURAND: I am not alluding to the speech of my honourable friend from Manitoba, but to the one we have just heard, which is in contradiction to that of my honourable friend. I am quite sure that no one from the Western Provinces will rise to condemn the Government for declaring at the outset that in the fixing of rates an advantage should be given to the western farmer because of the fact that he is so far from the seaboard.

Hon. Mr. McCORMICK: Would the honourable gentleman tell us why it is proposed to be done? What ground is there for it? What is the purpose?

Hon. Mr. DANDURAND: Well, I am not a railway man, and I have not studied transportation conditions; but I have some respect for the general concensus of opinion throughout the land among men who represent public opinion, and all agree that some sacrifice

should be made by the country as a whole in favour of the great wheat industry which we have in the West. I believe that pronouncements that have been made of a political program by the Leader of the Conservative Party include the recognition of the principle that in the fixing of rates something should be done to help the Western farmer. My honourable friend takes an opposite view, but he has not raised his voice in condemnation of that part of the Order in Council which directs the Railway Commission to review rates and examine into them with a view of weighing the claims of the Maritime Provinces made when they came into Confederation. My honourable friend condemns what he thinks is an undue favour to the farmer of the West, but he passes in silence over the point that the Railway Commission should seriously examine into the claims of the Maritime Provinces.

Now I go back to my honourable friend from Manitoba (Hon. Mr. McMeans). He has made a special appeal to me to hold out some hope that the situation will improve in Canada; he wants to know if economies will be practiced, if our trade will be more buoyant, if there is a hope of taxation being reduced. I can only tell my honourable friend that action is far more difficult than criticism, and that he has supported Governments that have a record, so that he must look with some sympathetic feeling to those who have succeeded them. I will give my honourable friend the reasons for hope, and will place before him figures showing a diminution of the expenditures of the country. The total disbursements in 1921-22 were \$464,-000,000; in 1922-23 they came down to \$434,000,000; in 1923-24 to \$370,000,000; and in the last fiscal year to \$350,000,000. From this it will appear that during the last year there was a reduction of \$20,000,000 from the preceding year, and a reduction of \$114,000,000 from the last year of the Conservative regime.

Hon. Mr. McMEANS: Does my honourable friend take into consideration the railway grant?

Hon. Mr. DANDURAND: No. These are the total disbursements appearing in the Budget.

Now, I will treat of the Canadian National Railway. In 1920 the Canadian National Railway showed a deficit over operating expenses of \$32,000,000; in 1921, a deficit of \$11,000,000; in 1922 a surplus of \$4,000,000; in 1923 a surplus of \$21,000,000; and in 1924, due to the short crop of last year, a surplus of \$17,000,000. The total deficits, after meeting fixed charges, were: in 1920, \$74,000,000; in 1921, \$72,000,000; in 1922, \$58,000,000; in 1923, \$52,000,000; and in 1924, \$54,000,000.

The moneys advanced to the railways during the past six years—that is, new moneys —are as follows: During 1919-20, \$106,000,-000; 1920-21, \$144,000,000; 1921-22, \$105,000,-000; or a total for those three years of \$355,-000,000 of expenditure. The situation has improved during the last three years. The year 1922-23 shows an advance made of \$59,-000,000; 1923-24, of \$85,000,000; 1924-25, of \$76,000,0000; or a total of \$220,000,000, or a decrease of \$135,000,000 from the preceding three years.

Hon. Mr. GORDON: Is that capital expenditure?

Hon. Mr. DANDURAND: Yes. These are the total advances made by the country to Canadian National Railway.

Hon. Sir JAMES LOUGHEED: Does that include securities endorsed by the Canadian Government?

Hon. Mr. DANDURAND: No, I would say not.

Now, the disbursements per capita of the population are as follows: in 1922, \$51.77; 1923, \$47.50; in 1924, \$39.36; in 1925, \$37.51. From this it will be apparent that there has been a constant improvement during the last three years. Of course, I realize that the process is a slow one, but my honourable friend must not forget that the capital cost of the war to Canada was \$1,760,000,000, and that it was entirely financed by borrowed money. So we have to-day under that head \$90,000,000 of interest to pay. We find that not only was the war financed through borrowing, but that \$413,000,000 were also borrowed to meet ordinary deficits in the carrying out of the business of the country; and in addition to that we have been left with taxexempt bonds to the amount of \$1,544,924,-350.

Now, I could run through the charges that were found by the present Government when it came into office—fixed charges and uncontrollable expenditure which must be met. Whatever savings we may have made under other heads, there are obligations left which must be met, and which come under the head of uncontrollable expenditure. I need not mention that at one fell swoop \$74,000,000 were added by the cost of the Merchant Marine, and I would ask my honourable friends to be somewhat lenient with the present administrators, because they have to pay interest, at perhaps 5½ per cent, on \$10,-000,000 that this Parliament voted to purchase

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the equity in the stock of the Canadian National Railway. It has not of course, appreciated since then, but still we must pay the interest on that \$10,000,000.

It is not my intention to detain the House for hours in discussing the financial aspect of the country. We know we cannot to a very great extent reduce taxation, yet this Government did reduce it, by tariff reductions, to the extent of some \$30,000,000 last year. I know that some members of this Chamber will be apt to complain of the form of the reduction; yet in the total we have accomplished a reduction in the returns from taxation, because, call it protection or what you will, the burden upon the shoulders of the people was lightened to the extent of some \$30,000,000 last year.

Under the head of trade, I think I can still give some consolation to my honourable friend. In the fiscal year 1920-21 trade imports exceeded exports by \$30,000,000; in 1922-23 exports exceeded imports by \$142,000,-000; in 1923-24 exports exceeded imports by \$165,000,000; and last year, 1924-25, exports exceeded imports by \$284,000,000. In 1920 our dollar was down to 80 cents; it is now at par, and sometimes we see it at a little premium in New York.

Hon. Mr. McMEANS: The honourable gentleman does not take credit for the exports exceeding the imports, because it is well known that exports go out in the way of unmanufactured natural resources, and come back as manufactured articles.

Hon. Mr. DANDURAND: My honourable friend is making a very sweeping statement. Last week he heard the honourable gentleman from Montarville (Hon. Mr. Beaubien) state that our industries were producing more than our farms. But this general statement means very little. One only needs to open the bluebooks to find what is the sum total of our exports, and I believe on that head again my honourable friend should receive some consolation.

Hon. Mr. GORDON: To be fair, the honourable gentleman from Montarville referred to the production of the country, but what my honourable friend takes is the exports.

Hon. Mr. DANDURAND: Yes, the honourable gentleman from Montarville spoke of production; but what has been done with that production? It appears in the bluebook: It has gone out of the country. Of course, we must retain what is necessary for domestic consumption; but my honourable friend only needs to refer to the bluebook to find out

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what that surplus of exports over imports, amounting to \$284,000,000, is made up of, and he will find that our manufacturers have done fairly well in the outside markets.

Hon. Mr. GORDON: But the point of the honourable member from Manitoba (Hon. Mr. McMeans) is that the bulk of that is not manufactured goods, but raw products.

Hon. Mr. DANDURAND: But my honourable friend will conceive that we receive some raw products in return. Take the coal that comes from the other side of the border, and the raw cotton that comes to our textile industry. If he will look through the list he will find that we have a considerable import of raw materials.

Now, with these few remarks, which have covered the first part of the question of my honourable friend, I desire to answer the latter part, namely:

And to inquire of the Government if it intends to change its fiscal policy this Session.

The answer to that is an emphatic no, because the Government realizes that this country needs, above all, stability in its administration of the customs. Stability does not mean immobility; but our manufacturers are entitled to know for some time upon what they must figure, what conditions they must face. When I look at the situation throughout Canada as reflected by the opinion given at the last electoral consultation, and maintained to this day in the popular House, I believe that the present Budget is a well-balanced budget; not one that has been considerably meddled with, but one that has been made with a view to reducing the cost of raw materials and the implements of production in order to lighten the burden of taxation on the people. On that score we have made a sacrifice of \$30,000,000 of income. This is a very difficult country to administer, as we all know. We see it in the various groups that have been elected on certain programs. But I believe that the vast majority of the manufacturers of this country are absolutely indifferent to the tariff situation, satisfied with it, doing well under it, minding their own business, and plodding and working day by day and year by year. It is very seldom that we hear a complaint from them, apart from the woollen manufacturers, who claim that importation, not from the United States, but from Great. Britain-

Hon. Mr. GORDON: Is not the honourable leader jollying us a little on this point? What about one of the industries in his own Province—the boot and shoe businessHon. Mr. DANDURAND: I am not through.

Hon. Mr. GORDON: You will come to that?

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. GORDON: It appears to me, from the way you are talking about the manufacturers being satisfied, that you are really jollying us, because every person knows that the manufacturers all over the country today are dissatisfied.

Hon. Mr. DANDURAND: I know manufacturers who, if I went to them and asked them if they wanted an increase in tariff, would say no.

Hon. Mr. GORDON: What business are they in?

Hon. Mr. DANDURAND: In a prosperous business, as most of the businesses of Canada are.

Hon. Mr. GORDON: Boot and shoe?

Hon. Mr. DANDURAND: One of the late Presidents of the Boot and Shoe Manufacturers Association has stated publicly that, during the first years after the war, responding to the buoyancy of the market, they had lost their heads and increased manufacturing, added wings to their factories and worked over night, because of the then demand for boots and shoes throughout the world; but that, when normal conditions reappeared in most countries of the world, they found themselves with plant enough to make three or four times what their old clientèle before the war would have consumed. Naturally the weak ones, who had stocks on hand and but little credit, felt the need of disposing of those stocks at any cost, and in that process many went to the wall. The stronger ones resisted and survived. That is but the ordinary readjustment of conditions after such an upheaval as we have had.

There is a small increase in imports from Great Britain, a large proportion of those imports taking advantage of the water route and coming through the Panama Canal to the Pacific Coast; but there is a corresponding reduction in imports from the United States. When I consider the small proportion of imports as compared with the total value of boots and choes used in Canada, I feel that we ought to think twice before increasing the price that families have to pay for those necessities. We have to remember the consumer. Hon. Mr. GORDON: Is that done at the cost of driving all those people out of the province of Quebec, which supplies most of the boots and shoes made in Canada?

Hon. Mr. DANDURAND: It is not, If my honourable friend will go down to the boot and shoe manufacturing centres of Quebec and Montreal and will study the situation, he will find that the men who have been cautious, and the men who have enough capital to afford to be imprudent, are holding their own. Of course, they must adjust themselves to new conditions. The statement which I observed and quoted, a year or two ago, from the President of the Manufacturers Association, went to show that there had been an increased production in a downward market. Those conditions must be readjusted.

As to woollens, I would ask those who are so much interested in Canadian production that when they enter a store to make a purchase they will give preference to Canadianmade woolens and will not, like most of the honourable gentlemen who surround me, and like myself, buy British goods.

Hon. Mr. GORDON: What about the tanning industry? Is it also prosperous?

Hon. Mr. DANDURAND: That comes very close to boot and shoes manufacture.

Hon. Mr. GORDON: Yes.

Hon. Mr. DANDURAND: On the whole, knowing the difficulties encountered by our friends in the Maritime Provinces, and knowing the situation in the Western provinces, I feel that we must be discreet in these times and that in a middle course we shall find a correct solution for our present difficulties.

Hon. Mr. GORDON: What about all those factories that are going out of business?

Hon. Mr. DANDURAND: There are always factories going out of business. My honourable friend knows why they do. It is sometimes through inexperience, sometimes because of lack of capital, and at other times because of absolutely bad management.

PRIVATE BILLS

THIRD READING

Bill R3, an Act respecting the Calgary and Fernie Railway Company.—Hon. Mr. Haydon.

SECOND READINGS

Bill W4, an Act respecting certain patents of Accounting and Tabulating Machine Corporation.—Hon. Mr. Griesbach.

Bill Z4, an Act respecting a patent owned by the John E. Russell Company.—Hon. Mr. Belcourt.

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REPRESENTATION IN THE HOUSE OF COMMONS

MOTION WITHDRAWN

On the Order:

Resuming the adjourned debate on the motion of Hon. Mr. Lynch-Staunton:

That in the opinion of the Senate an humble address should be presented to His Majesty, praying that the British North America Act be amended so as to reduce the representation in the House of Commons to the end that the whole representation in that House be substantially decreased.

Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I moved the adjournment of the debate for the purpose of keeping the question before the Senate, in order that any honourable member who after thinking it over desired to discuss it, might be able to do so. I was acting the part of the Good Samaritan. Having done that to the extent of my ability, I have no wish to discuss the matter myself.

Hon. Mr. DANDURAND: I took it for granted that my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) desired to express in the form of a motion, his views with regard to certain constitutional questions which were haunting him. Having done so, and not expecting to attain any practical results in amending the Constitution of the House of Commons, he may be thinking of withdrawing his motion without dividing the House.

Hon. Sir JAMES LOUGHEED: Withdrawn.

The motion was withdrawn.

DIVORCE BILLS.

THIRD READING

Bill A5, an Act for the relief of George William Quibell.—Hon. Mr. Turriff.

SECOND READINGS

Bill X4, an Act for the relief of Frederick Ethelbert Shibley.—Hon. Mr. Willoughby.

Bill B5, an Act for the relief of Alfred Percival Selby.—Hon. Mr. Haydon.

Bill C5, an Act for the relief of Charles Thomas Bolton.—Hon. Mr. Haydon.

Bill D5, an Act for the relief of Ada Durward.—Hon. Mr. Haydon.

Bill E5, an Act for the relief of Edward James Hogan.—Hon. Mr. Willoughby.

Bill F5, an Act for the relief of Roger Alexander McGill.—Hon. Mr. Blain.

Bill G5, an Act for the relief of John Perron.—Hon. Mr. Blain.

Bill H5, an Act for the relief of William Albert Everingham.—Hon. Mr. Blain.

Hon. Mr. DANDURAND.

SUPREME COURT BILL CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 16, an Act to amend the Supreme Court Act.

Hon. Mr. Taylor 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.

APPOINTMENT OF SENATE OFFICIALS

FURTHER DISCUSSION

The Senate resumed from June 4 the adjourned debate on the motion of Hon. Mr Daniel:

That, in the opinion of the Senate, the appointment of all officers occupying seats on the floor of the Senate, to whom the Civil Service Act applies, should be selected and appointed by the Senate, and that the Civil Service Commission should be asked to exclude those positions from the operation of the Civil Service Act.

Hon. J. H. FISHER: Honourable gentlemen, in moving the adjournment of the debate, I did not do so with the idea of discussing this question any further, but simply for the purpose of moving an amendment which would bring from the members of the Senate an expression of opinion as to whether or not all appointments of officials on the floor of the Senate should be made by the Senate itself. I have made my amendment as short and plain as possible, and I think it should receive the support of every member of the Senate. However, whatever the outcome may be, I certainly think that the members of this body should have an opportunity of placing themselves on record on this question. I therefore beg to move in amendment, seconded by Hon. Mr. Smith:

That, in the opinion of the Senate, all officers occupying seats on the floor of the Senate should be selected and appointed by the Senate.

Hon. Mr. DANDURAND: Honourable gentlemen, I am inclined to join with my honourable friend the mover of the motion (Hon. Mr. Daniel) and the mover of the amendment (Hon. Mr. Fisher) as to the propriety of the Senate having something to say in the selection of the high officers with whom it comes in contact daily. That, I take it for granted, is the view which is held by all. My only difficulty is as to the fitness of expressing that desire when we are faced by a question of law.

We all know that the Civil Service Commission has released the position of the Black Rod, and that the condition attached is that the law officers of the Crown shall pronounce as to the authority which will make the appointment. I dislike entering into the field when the matter is sub judice. I have not approached the law officers of the Crown, and I am sure that they have been approached only by the delegate of the Senate, so to speak, namely, the law officer of the Senate. Before coming into this Chamber at 3 o'clock this afternoon I thought it was my duty to inquire as to the situation at the moment, and I was informed that no written statement had been received at that time by the Law Clerk.

The only matter that I am not sure about is the opportuneness of adopting this resolution in the face of the resolution of the Senate of Canada of 1867, which declared that the Black Rod was an appointment of the Crown. At first, as I have had occasion to say, my opinion was, without having read the text of that resolution, that the Senate had proceeded on the line of the devolution of power; but, when I read the text, to my surprise I found that it was a recognition of power vested in the Crown. We are face to face with the result of the Senate recognizing -I think that is the expression to be found in the resolution-that the appointment of the Black Rod belongs to the Crown. We will now declare:

That, in the opinion of the Senate, all officers occupying seats on the floor of the Senate should be selected and appointed by the Senate.

I have no objection to that expression of opinion. I do not know what will be the view taken by the King in Council—because I suppose when we speak of the Crown we mean the King in Council—or what will be its opinion if the law officers of the Crown declare that the appointment belongs to the King in Council, or to the Crown. However, we need not face that situation, as it is not now before us. All that there is, is the resolution and the amendment, and I do not intend to express any opinion contrary to the wish of honourable gentlemen, be it pious or otherwise.

Hon. Sir JAMES LOUGHEED: As my honourable friend does not propose to oppose the motion, I am only going to occupy the time of the House to say that if the Senate has any opinion to voice upon the subject, this is the time to do it. This is the only opportune time we shall have, because section 38B of Chapter 22 of the Statutes of 1921 provides as follows: In any case where the Commission decides that it is not practicable nor in the public interest to apply this Act to any position or positions, the Commission may, with the approval of the Governor in Council, exclude such position or positions in whole or in part from the operation of the Act, and make such regulations as are decmbed advisable prescribing how such position or positions are to be dealt with.

I understand that in the order made by the Commission there was an absence of any statement as to the manner in which the position should be filled; so it is clear that the Commission has not performed the whole of its duty.

Hon. Mr. DANDURAND: They believe they have, by referring it to the law officers of the Crown.

Hon. Sir JAMES LOUGHEED: That is not a regulation as to how the appointment shall be made: it is simply a suggestion to evade the responsibility which falls upon them. To make a valid order they must state in the order how the position is to be filled. This resolution is simply an expression of opinion by this House as to filling it ourselves.

Some Hon. SENATORS: Carried.

The Hon. the SPEAKER: Would the honourable gentleman from Nipissing (Hon. Mr. Gordon) take the Chair?

Hon. Mr. Gordon in the Chair.

Hon. Mr. BOSTOCK: As neither of the leaders has pointed out to the House the difference between the amendment and the original motion, perhaps it would be well, before the House expresses an opinion, to The point out the effect of the amendment. motion as first presented to the House by the honourable gentleman from St. John (Hon. Mr. Daniel) provided for an expression of opinion of the Senate on the matter, leaving out the Clerk, as it was especially provided at the time the Civil Service Act was put into effect that the Clerk should be appointed by the Government of the day. The motion as made by the honourable gentleman signified that the floor officers, with the exception of the Clerk, should be appointed by the Senate; but the amendment of the honourable gentleman from Brant (Hon. Mr. Fisher) would express the opinion that the appointment of the Clerk should be made by the Senate.

I did not know whether the House exactly understood that. If that is the opinion that honourable gentleman desire to express, all right.

Hon. Mr. DANIEL: Do I understand that the words "to whom the Civil Service Act applies" are left out of the amendment? Hon. Mr. BOSTOCK: Yes.

Hon. Mr. GILLIS: Is the Clerk appointed by statute?

Hon. Mr. BOSTOCK: No, the Clerk's position is now filled by the Government, under the Civil Service Act.

Hon. Mr. DANDURAND: But it was before the Civil Service Act.

Hon. Sir JAMES LOUGHEED: I would point out that the motion cannot touch the Clerk of the House, because he does not come under the Civil Service Act. Therefore it could not be applied in that way. The resolution can only have in view the appointment of officers at present appointed by the Civil Service Commission.

Hon. Mr. BOSTOCK: But the amendment says "that in the opinion of the Senate all officers occupying seats on the floor of the Senate—"

Hon. Sir JAMES LOUGHEED: That presupposes that the appointment rests with the Civil Service Commission, and it cannot contemplate the inclusion of the Clerk.

Hon. Mr. BOSTOCK: I think it is too sweeping and general.

Hon. Sir JAMES LOUGHEED: If it is desirable, we can say "with the exception of the Clerk of the House". I would suggest that to the mover.

Hon. Mr. FISHER: I am very willing indeed to make that change.

Hon. Mr. BOSTOCK: Or perhaps it would be better just to insert in the amendment the words that appeared in the original motion: "to whom the Civil Service Act applies".

Hon. Sir JAMES LOUGHEED: That would do.

Hon. Mr. FISHER: The amendment will now read:

That, in the opinion of the Senate, all officers occupying seats on the floor of the Senate to whom the Civil Service Act applies should be selected and appointed by the Senate.

The Hon. the Speaker having resumed the Chair:

The amendment of Hon. Mr. Fisher was agreed to.

NORTHWEST TERRITORIES BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 151 an Act to amend the Northwest Territories Act.

Hon. Mr. DANIEL.

He said: Honourable gentlemen, the Bill reads as follows:

The isuing of licenses or permits to scientists or explorers to enter any defined area or areas in the said territories and the prescribing of conditions under which such licenses or permits may be granted in each case, and the penalties for infractions of such conditions.

I would like to strike out the words "any defined area or areas in the said territories," and to replace them by the words, "to enter the said territories or a part thereof."

The proposed amendment was agreed to

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

DAIRY PRODUCE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 72, an Act to amend the Dairy Produce Act.

Hon. Mr. Gordon in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

FRUIT BILL

CONSIDERED IN COMMITTEE

On the motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 117, an Act to amend the Fruit Act.

Hon. Mr. Gordon in the Chair.

Section 1 was agreed to.

On section 2-powers of Minister:

The Hon. the CHAIRMAN: There has been an amendment to this section. Shall the section as amended be adopted?

Hon. Mr. DANDURAND: The amendment is that the words, "after consultation with the Horticultural Council," be inserted, so that the new subsection would read:

The Minister, after consultation with the Horticultural Council, with the approval of the Governor in Council, shall have power to prescribe additional grades...

Section 2, as amended, was agreed to.

Sections 3 and 4, and the preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING

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

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

ANIMAL CONTAGIOUS DISEASES BILL CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 150, an Act to amend the Animal Contagious Diseases Act.

Hon. Mr. Taylor 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.

MEAT AND CANNED FOODS BILL CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand the Senate went into Committee on Bill 73, an Act to amend the Meat and Canned Foods Act.

Hon. Mr. Taylor 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.

LIVE STOCK AND LIVE STOCK PRO-DUCTS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand the Senate went into Committee on Bill 111, an Act to amend the Live Stock and Live Stock Products Act, 1923.

Hon. Mr. Taylor in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

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

THE SENATE

Wednesday, June 10, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill T5, an Act for the relief of Maude Crawford Ross.—Hon. Mr. Haydon.

Bill U5, an Act for the relief of Bertha Matilda Quinn.-Hon. Mr. Haydon.

Bill V5, an Act for the relief of William Garfield Reed.-Hon. Mr. Black.

THE PARLIAMENT BUILDINGS

CONDITION OF ROADS AND WALKS

Hon. Mr. POIRIER rose in accordance with the following notice:

That he will call the attention of the Government to the disgraceful condition of the roads and sidewalks leading from Wellington street to the Senate and House of Commons, and will inquire whether it is the intention to continue to patch them up or to rebuild them anew and in a proper way.

Hon. Mr. POIRIER (Translation): It is unnecessary to explain at any length the wish that I express, that the avenues, roadways and walks leading to Parliament may be so constructed as to harmonize with the magnificent Parliament Buildings that are on the eve of completion. The general effect gives the impression of a man admirably dressed, whose shoes are neglected and down at the heels. That should not be: it is not fitting. I fancy that the Government will attend to the matter, but I deem it my duty to point out to the honourable leader of the Government in this House this rather disgraceful condition, and I trust he will call it to the attention of the Minister of Public Works, and that what cannot be done at present will have been done by the time we return here next Session.

Hon. Mr. DANDURAND (Translation): may tell the honourable Senator that his wish is already complied with. I have taken up the matter with the Minister of Public Works, who has given me explanations which satisfy me and will also, I trust, satisfy the honourable Senator from Shediac. The Minister of Public Works informs me that the sidewalks and roadways around the Parliament Buildings are being reconstructed and will soon be fin-As to the walks and roadways leading ished. from Wellington street, they will be done when the Parliament Tower is completed. I hope that when we return here next Spring we shall find everything in order.

For the very small minority that has not the advantage of understanding the French language, I may state that the following is the answer of the Department of Public Works:

The finish to the roads at the sides and rear of the Parliament Buildings will be put in hand at once. The roads in front will be renewed when construction of tower is completed.

IMPORTATION OF "ROCK LOBSTER"

INQUIRY

Hon. JOHN McLEAN rose in accordance with the following notice:

That he will call the attention of the Senate and inquire of the Government as follows:

1. Is the Department of Customs and Excise aware that crayfish in tin containers is being imported into Canada, and sold in Canada labelled as "Rock Lobster," thereby unfairly competing with the lobster packing business in Canada?

2. Is it permissible to import such fish under the name of "Rock Lobster"?

3. Is the Department of Fisheries aware of the matters above stated, and if so what measures does the Department intend to take to protect the lobster packing business of Canada?

He said: Honourable gentlemen, the lobster business, as all members of the Senate know, is a very important one in the Maritime Provinces, there being something like 120 factories that employ on an average about 40 people.

Hon. Mr. DANIEL: You mean 40 persons in each factory?

Hon. Mr. McLEAN: Yes. Those rock lobsters are caught in British Honduras, and are packed in New Jersey. If they were being packed here, and sent to the United States, whatever name they might go under, there would be scientists wanting to know whether they were imported under their proper name.

At the same time, may I bring another matter to the attention of the Government? Since the Americans put the duty of 2 cents a pound on fish of all kinds, Bank fishermen have not been allowed to take their fish to Gloucester or Boston without transferring them to American vessels. At the same time, the Gloucester fishermen-I refer to the Gordon Pugh Company-send a large vessel down every spring with a cargo of salt, which, as the leader of the Government knows, is admitted to Canada free for fishing purposes, and it is distributed around at different places where codfish are put up. Local men are employed to fish for the codfish, and in the fall cf the year the fish are taken up by this Company, who are not required to get a consul's certificate, and these fish, caught by British subjects within the three-mile limit, enter the United States, I believe, free of duty. I do not know whether or not the Government is aware that this is going on, but it is a matter that I think I should bring to their attention. It is very unfair, because we cannot ship the fish to the United States without a consul's certificate stating the value and so forth, while all that these other people have to do is to report their vessels.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: I am glad the honourable gentleman has given us his views on this matter. Unfortunately, I am not in a position to answer the three questions which appear on the Order Paper. I would suggest to the honourable gentleman that he allow his inquiry to remain on the Order Paper; and I will communicate his remarks to the department or departments interested, in order that he may have a more extended reply than otherwise I could give.

Hon. Mr. McLEAN: I may say that I went to see the Commissioner of Fisheries, who gave me to understand that he was not thoroughly familiar with the matter, but that he would inquire and find out what was the local name in British Honduras of these crayfish. That is two months ago, and I have yet received no information.

Hon. Mr. DANDURAND: I will present the remarks of my honourable friend to the Department.

The inquiry stands.

CANADIAN NATIONAL RAILWAY PRO-PERTY IN TORONTO

INQUIRY

Hon. Mr. LYNCH-STAUNTON inquired of the Government:

1. Who is the owner of northwest corner of King and Yonge streets, Toronto?

2. Is it contemplated to erect a building thereon, and if so, by whom is the building to be erected, and what is the estimated cost?

3. If the building is not to be erected by the Canadian National Railways or the Government is the Canadian National Railways, or the Government financing in whole or in part the project, or is either becoming responsible directly or indirectly for the money required therefor?

4. If the building is to be erected by other than the Government or the Canadian National Railways has either the Government or Canadian National Railways made any contract or agreed to make any contract for the occupation of the building or any space therein, and if so, what is the extent of same, and what is the amount of rent to be paid per annum and by whom is the rent to be paid?

Hon. Mr. DANDURAND: The answer which is communicated to me is not a detailed answer of the questions and is one which has already been given by the Minister of Railways himself. It is as follows:

The business to which this series of questions refers is still a matter of negotiation. While the negotiations have, I believe, proceeded a considerable length, no recommendation has yet come from the executive of the Canadian National board to the Minister of Railways to be submitted to the government respecting the sale of this property.

THE LATE HON. SENATOR McCALL TRIBUTES TO HIS MEMORY

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, it is my sad duty to announce to the Senate the demise of one of our esteemed colleagues, Senator McCall.

The Honourable Alexander McCall has been with us since 1913. He was born in 1841, and lived a happy, long, and useful life, until he died an octogenarian. He was a man of a few words, and of genteel manner, denoting a kind heart. He belonged to a hardy race which has made its imprint wherever it has gone, especially in Canada. We owe much to the Scotch for solid qualities of heart and Senator McCall was a good example mind of his race. He had the confidence and the affection of the people among whom he lived: they gave him their mandate for the highest office in their gift, that of representative in the House of Commons; his political leaders ratified that choice by sending him to this Chamber, where every colleague of his soon became his friend. To his family I extend our warmest sympathy.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I join with my honourable friend in all that he has said as to our late colleague Senator McCall. For the last fifteen years Senator McCall has been one of the members of this Chamber, having previously been a member of the House of Commons, where he represented his constituents in an able and faithful manner.

During the period of his membership in this Chamber he evinced a deep interest in the many public matters and the legislation that came before us from time to time, was always, with very few exceptions, to be found in his It may be said that he was one of the seat. silent members of the Senate, a man whose voice was seldom heard in public discussion; nevertheless he interested himself as deeply in the public business as those who were prominent in debates. He held pronounced views upon those subjects which frequently occasion differences of opinion amongst the members of a representative body, but he never hesitated in private conversation or by his vote to express his conscientious views upon any public question in which he was interested.

He was born in 1841, and thus by a decade and a half of years exceeded the alloted span of life. He leaves behind him friendly memories of a pious, upright and consistent life. Through his death the Senate is deprived of one who stood high in the estimate of his fellow men, particularly his colleagues in this Chamber.

SMUGGLING ON THE CANADIAN BORDER

INQUIRY

Hon. G. D. ROBERTSON: Honourable gentlemen, may I call the attention of the leader of the Government to the fact that on March 11th last there was under discussion in this House a resolution of approval of a Treaty the object of which was to suppress smuggling between Canada and the United States. Some discussion took place, and my honourable friend intimated to the House that if the resolution were permitted to pass he would bring the matter to the attention of the Customs Department and would endeavour to get the information which I think the House desired, namely, as to the limitation to be put upon the size of oceangoing vessels so called which were to be given clearance papers for the export of liquor.

I call attention to this matter again, particularly because of the fact that certain unpleasant incidents are occurring in the Niagara Peninsula which I have the honour of representing in this House; and also to intimate to my honourable friend that I am sure, from knowledge received, that an investigation of the matter would reveal the fact that Customs officers are to-day issuing clearance papers to ordinary row-boats on the Detriot river and, I fancy, on the Niagara river, and that, if they can get across the river, well and good, but, if not, that they land on the Canadian side and dispose of their cargoes of liquor.

On the Niagara frontier a serious situation has arisen, and I will read from the Toronto Star of June 5 a news dispatch from Buffalo, which is headed: "American drys all worked up over our laxity—Claims Canadian men deliberately winking at rum-smuggling." The article goes on to say:

The attitude of Canadian "pro-liquor officials" was responsible for the establishment of a larger federal dry guard along the Niagara frontier, it was disclosed to-day by Collector of Customs Bradley, and United States Attorney Templeton.

District Attorney Templeton was strong against the Canadian politicians, "The United States government is tired of this trifling attitude of the Canadian politicians," he said. "When Canada and Canadians learn that we don't need anything that they've got over there, from their bluff beer to the garden truck that's peddled here along the border, they'll discover how important it is and profitable it may become to try a little co-operation with the police laws of a neighbour nation. The attitude of the authorities across the border, who have deliberately winked at open smuggling of liquor into the United States in utter disrespect for the public opinion of the United States, is about as disgusting as this alleged 2.2 beer with which the same individuals are trying to obtain good American money."

I call my honourable friend's attention to the fact, because I know that a substantial portion of our population of respectable citizens in the Niagara district have been more or less worked up for some time over the liquor smuggling that has been going on and the characters engaged in that business who come into the community. It has even occurred that people are afraid to go on the public highways at night because of highspeed motors, which are supposed to be engaged in this business, rushing through the country at a very rapid rate without regard to other people who may be on the highways.

I am sure that an investigation will prove it to be true that the restriction which this House asked to be put in that resolution, namely, that there should be a reasonable limit put upon the tonnage of a boat that was given clearance papers to carry liquor, is not being complied with, and that every kind of boat, even an ordinary row-boat, is receiving papers for that purpose. This practice, in my humble opinion, affords justification for the criticism of American officials on our operation.

Hon. Mr. DANDURAND: What is the date of the resolution to which my honour-able friend refers?

Hon. Mr. ROBERTSON: March 11. My honourable friend's words, at the conclusion of the debate, were:

It might be interesting to this Chamber to have some further information on the various points named by my honourable friend. We may pass the resolution, but I will transmit my honourable friend's remarks to the Minister of Customs, and ask him to give them his consideration.

My right honourable friend to my left (Right Hon. Sir George E. Foster) thought that that was scarcely definite enough on the part of the leader of the Government, and he indicated a still further desire that the information should be obtained, and I think my honourable friend intended to get it, but has apparently overlooked it.

Hon. Mr. DANDURAND: One of the difficulties that we encounter in the administration of that law is that our border is such a long one, extending from the Atlantic to the Pacific, that it would tax the revenues of this country to a considerable extent if it were felt necessary to put Customs officers along all the roads that cross the frontier, and the beaches that are to be found around the lakes.

I will inquire as to the points which my honourable friend makes, regarding laxity in issuing licenses. This complaint will go to the Department of Customs. I may say that the Minister of that Department, who has administered that law, and has ruled over Hon. Mr. ROBERTSON. the Department for the last three years, has been ill, and has been replaced temporarily by one of his colleagues, and the latter may not have as complete knowledge of the situation as the Minister himself. I do not attach very much importance to the slighting remarks that appear in the American press on the border.

Hon. Mr. ROBERTSON: But I would remind my honourable friend that this is the Toronto press, the Toronto Star.

Hon. Mr. DANDURAND: But was it not a reproduction of what was being said in Buffalo?

Hon. Mr. ROBERTSON: No; it was apparently a special correspondent of the Star in Buffalo who sent that dispatch to the Toronto paper.

Hon. Mr. DANDURAND: On the whole, I believe that our population, our officials, and our politicians stand easily on a level with the gentlemen who represent those classes of society on the other side; and I know that the policy which has been laid down by Parliament will be faithfully followed—that of co-operation with the officials of the American Government. Before expressing any opinion on the facts, I will await the inquiry which will probably be started by the Department of Customs.

Hon. Mr. ROBERTSON: May I renew the suggestion made on March 11th, namely, that there ought to be a minimum tonnage which would govern in the granting of clearance papers to any boat? The reason is that a boat of less than perhaps 100 tons is quite incapable of carrying a cargo on the high seas to Cuba or Mexico, to which the clearance papers permit the vessel to go. My honourable friend stated at the time that he was sure that the Customs Department would probably regulate that. I am now pointing out to him that it appears not to have been properly regulated, and that some minimum should be placed on the size of such boats before clearance papers are granted.

Right Hon. Sir GEORGE E. FOSTER: I would ask my honourable friend to bring down the information referred to by my colleague on my right (Hon. Mr. Robertson). The question is, I think, more important than my honourable friend seemed to think it when he made virtually an apology for non-co-operation along the border in the matter of rum-smuggling.

Hon. Mr. DANDURAND: It was not my intention to do so.

Right Hon. Sir GEORGE E. FOSTER: I know that my honourable friend's heart would not lead him that way, but I am afraid his words ran away with him in that respect. They made that impression upon me, and I would not like that impression to go out to the people of this country as a whole.

Hon. Mr. DANDURAND: I thought we had decided that Canada will be as loyal as the United States when it comes to asking its officials and officers to co-operate with the neighbouring officials at the border.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend also pointed out that so long was our border, and so many were the opportunities for smuggling, that a man who wanted to smuggle would draw the inference that in a hundred chances he would get clear in ninety-nine because of the poverty of the Government, or of the extent of our border.

Hon. Mr. DANDURAND: Of course, I do not know if the Americans have a greater army along the border than we have. If they have a complaint against Canada in the Niagara district, Canada seems to have a complaint against the United States for the immense smuggling of silks and other commodities from which we are trying to guard ourselves by legislation which soon will be submitted to this Chamber.

Hon. Mr. POPE: In our part of the country whiskey from the United States is smuggled in large quantities into the province of Quebec.

Hon. Sir JAMES LOUGHEED: That will demoralize Quebec if it goes on.

Hon. Mr. POPE: It would demoralize a weaker element than Quebec.

Hon. Mr. WATSON: A matter of taste.

NIPISSING CENTRAL RAILWAY INQUIRY

On the Orders of the Day:

Hon. Mr. GORDON: With the leave of the House, I would like to call the attention of the honourable Leader to a matter of great importance to the country at large. Some two years ago I had the honour of introducing a Bill for extending the Nipissing Central Railway across the northern, portion of Ontario and through the province of Quebec. I may say that that railway is a subsidiary of the Timiskaming and Northern Ontario Railway, which is controlled by the Ontario Government. That company started to build a railway, and had completed it practically through Ontario to the border, but they have been met there by the province of Quebec putting up a sign: "Thou shalt not go any further." To-day that line is being held up notwithstanding the fact that the company had a charter from the Parliament of Canada to build it, and that they have already on the ground in the province of Quebec the supplies necessary for building the road, which could only be put in there during the winter months. If the building of this road is stopped now it will mean a considerable loss to that Company. I would like to ask the leader of the Government what representations have been made to the Government by the Province of Quebec in regard to stopping the building of this road.

Hon. Mr. DANDURAND: I would suggest to my honourable friend that he put his last phrase in writing as an inquiry, so that I may be justified in bringing the papers down. I am not in a position to answer my honourable friend. I have not the record. I know that there has been correspondence, and that some action has been taken, but I cannot off-hand give my honourable friend an exact statement such as he desires. I will bring down the necessary information as soon as my honourable friend has put his question, so that I can pass it on to the Railway Department and obtain the information.

Hon. Mr. GORDON: That will be satisfactory.

Hon. Mr. DANDURAND: I may say that under our federal system the provinces are somewhat autonomous. I have not to express an opinion in law on the point which my honourable friend raises. I hope that our relations are not yet so strained or our provinces so exclusively autonomous as to resemble the United States, where frequently a prisoner must be extradited from one state to another. This is one of the extraordinary things—and there may be others—which show the degree of autonomy which the States have retained. This has nothing to do with the question, except to indicate to my honourable friend that there is such a thing as the claim of autonomy as between provinces and as between states.

DIVORCE BILLS

THIRD READINGS

Bill B5, an Act for the relief of Alfred Percival Selby.-Hon. Mr. Haydon.

Bill C5, an Act for the relief of Charles Thomas Bolton.—Hon. Mr. Haydon.

Bill D5, an Act for the relief of Ada Durward.-Hon Mr. Haydon. Bill E5, an Act for the relief of Edward James Hogan.—Hon. Mr. Willoughby.

Bill F5, an Act for the relief of Roger Alexander McGill.—Hon. Mr. Blain,

Bill G5, an Act for the relief of John Perron.—Hon. Mr. Blain.

Bill H5, an Act for the relief of William Albert Everingham.—Hon. Mr. Blain.

Bill X4, an Act for the relief of Frederick Ethelbert Shibley.—Hon. Mr. Willoughby.

SECOND READINGS

Bill 15, an Act for the relief of Mary Ella Mackey.—Hon. M. Bradbury.

Bill J5, an Act for the relief of Melvin Grant Cowie.—Hon. Mr. Bradbury.

PRIVATE BILLS

THIRD READING

Bill Y4, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Willoughby.

SECOND READING

Bill K5, an Act to Incorporate the Mutual Plan Company of Canada.

Hon. Mr. BELCOURT: Honourable gentlemen, in connection with this Bill I wish to move:

That Rule 119 be suspended in so far as it relates to Bill K5, entituled an Act to Incorporate Mutual Plan Company of Canada.

The object of this is to enable the Bill to go to Committee with less delay than is required by the Rule.

The motion was agreed to.

CONDITIONS OF DIVORCE BILL

MOTION FOR SECOND READING

Hon. W. B. WILLOUGHBY moved the second reading of Bill 4, an Act respecting Divorce.

He said: Honourable gentlemen, the subject-matter of this Bill is very simple, yet it involves a very important principle. The Bill was introduced in another place by a private member, and after considerable discussion, and the rejection of amendments to the Bill, it finally passed by a large majority. It has been placed in my hands, doubtless by virtue of my capacity as Chairman of the Committee on Divorce, and I bring it before this Chamber in the hope that you may give it favourable consideration.

The change that it makes in the existing law is not very striking, yet to those who have not given attention to matters of divorce it may not be uninteresting, for at least a few moments, in any event, to tell you what is Hon. Mr. DANDURAND. the present law in Canada, and how it came to be the law.

We all know that in this Chamber the woman is regarded as on an exact equality with the man in obtaining divorce. That is so also in the Maritime Provinces. In Prince Edward Island divorces applied for may be granted by the Provincial Council; that is, by the Governor in Council. In the other two Maritime Provinces, Nova Scotia and New Brunswick, there are regular Divorce Courts. In those provinces by the sea the woman is placed on the same level as the man, and may obtain a divorce on the same grounds.

In Ontario and Quebec, as we all know, there is no divorce legislation. Every Bill passed in this House is a separate and individual Act of Divorce.

May I digress for a moment to allude to a certain Canadian legal publicist who on many occasions, and in very unwarranted and striking language, has impeached the legal and constitutional authority of the Parliament of Canada to grant divorce? I refer to this only in passing, because of articles that have been contributed by that gentleman to the public press of Canada. On more than one occasion gentlemen have complained to me and have asked, "What is the answer?" Well, I am not going to debate that question. It is, I think, obvious to this House and to Parliament that we have not continued since Confederation to exercise the right of granting divorce without having absolute legal authority to do so, and I think it would be derogatory to the dignity of Parliament for me to enter into any argument in this respect. I content myself by simply saying this: From Confederation, ever since the first divorce was granted, the very best legal minds in the House have always been directed to the question of divorce. We have had in both Chambers a large number of gentlemen who, through their religious tenets, are opposed entirely to divorce, and it would be an insult to the intelligence of these gentlemen to think that they had sat mute and not protested against the exercise by this Parliament of power that it did not possess. So much for that, in passing.

In Western Canada, that is, Manitoba, Saskatchewan, Alberta and British Columbia, the woman and the man are not placed on terms of equality in obtaining divorce. What disadvantages is the woman under in the Prairie Provinces? In the law as it was first enacted in England to establish a Divorce Court that is, the Divorce and Matrimonial Causes Act, Chapter 85, of 1857—Section 27 set out the grounds on which divorce could be applied for. With your permission I will read it. It is not very long:

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It shall be lawful for any Husband to present a Petition to the said Court, praying that his Marriage may be dissolved, on the Ground that his Wife has since the Celebration thereof been guilty of Adultery.

That is all the obligation of the man-

And it shall be lawful for any Wife to present a Petition to the said Court, praying that her Marriage may be dissolved, on the Ground that since the Celebration thereof her Husband has been guilty of incestuous Adultery, or of Bigamy with Adultery, or of Rape, or of Sodomy or Bestiality, or of Adultery coupled with such Cruelty as without Adultery would have entitled her to a Divorce a Mensa et Thoro, or of Adultery coupled with Desertion, without reasonable Excuse, for Two years or upwards.

Only two portions of that enabling section dealing with the woman, are of any practical importance. The cases of bigamy with adultery, or incestuous adultery, or rape, or sodomy, or bestiality, are extremely rare. Applications based on adultery coupled with cruelty are quite common in Western Canada, as they were in England before the legal change to which I shall refer; and adultery coupled with desertion without legal or reasonable excuse, for two years, was comparatively frequent.

I have pointed out what is in actual practice the difference between the rights of the man and those of the woman. A mere isolated case of adultery, uncondoned and committed without connivance, etc., entitles the man to a divorce, but in the case of the woman, in practically all instances that come before the Court, there must be adultery coupled with cruelty or with desertion for two years without lawful excuse.

How did that come to be the law in Canada? It may not be uninteresting to discuss this class of legislation for a few moments for the benefit of honourable members who have not had their attention directed to it. In England up till 1857 divorces were heard. as we know, by the House of Lords. The proceedings leading up to such divorces were extremely expensive. Litigation had to be taken first in the common law courts and a judgment given and execution obtained and satisfied, and there had to be a prosecution as against the co-respondent, and many other things had to be done before the application could actually be made to the House of Lords. All this procedure was found to be inordinately expensive, and it was considered that it denied a remedy to those who believed in divorce for proper cause. The result was that the English Parliament in 1857 passed the Act of which I have cited a section, and which is still the law of England, save as modified to some extent by later enactments.

In Ontario and Quebec we had no divorce legislation at all on the Statute Book at the time of Confederation, and as we have not legislated generally on divorce in the Federal Parliament, it has been necessary for people from Ontario and Quebec to come here to obtain divorce. In the Maritime Provinces they had divorce courts before Confederation, and as you will remember, the Act of Confederation continued the laws then in force and applicable in the various Provinces of Canada that jcined in Confederation.

In Manitoba, from July 1870, we had the laws as they were in England, as far as they were applicable to the conditions of our life. By the Northwest Territories Act of 1885, it was declared that the law of England as it stood on the 15th of July, 1870, should be the law in force in the Northwest Territories so far as it was applicable, and as under the British North America Act divorce was the peculiar prerogative of the Parliament of Canada, therefore the law of England as it stood in 1857 became the law ipso facto of Saskatchewan and Alberta. British Columbia came into Confederation in 1871, and the women of British Columbia are in the same position as are the women of the three Prairie Provinces.

That accounts for the fact that the woman of western Canada is not on an equality with the woman of eastern Canada. It was thought in the three Prairie Provinces for a very long time that nobody had the right to go to the courts for a divorce at all, but an adventurous litigant in very recent years had a case carried to England, and it was decided by the Privy Council that the divorce law of England, as I have read it, was in force in the Prairie Provinces. It thereupon became necessary to organize provincial courts and to make rules and regulations governing the granting of divorce. Therefore we have the disparity which exists at the present time. This Chamber, however, I think with a proper appreciation of the constantly improving position of woman in society, accorded her an equality with man as to the grounds for divorce. I think it is a tribute to this House, which is sometimes said not to be responsive to the public will, that it was the pioneer so far as actual legislation is concerned in granting women an equality with men.

All that this Bill seeks to do is to put the women of Western Canada on an equality with the men. It is true that the women of Western Canada could come to the Senate Divorce Committee, and could obtain a divorce here upon proper cause being shown. Our rules at present provide that the applications must be made in person, and that the witnesses must appear personally before the Committee. In many ways this is a rather desirable rule, and it has a tendency to restrict the number of applications. The result is that in the last two years—I speak without checking the accuracy of the statement—we have not had applications from those actually resident in the Prairie Provinces, although we have had applications from people who had resided in the West but who had come East to reside.

The English Parliament has moved along in the direction in which we ask this House to move. There is a very elaborate and most interesting report on divorce which was made by an English Commission. Some years ago I took the liberty of discussing that report in this Chamber at some considerable length. The Commission was appointed in 1912, and represented every phase of English societyboth sides of politics were represented, although the Commission was not political in any sense-and minority and a majority reports were made by the Commission which was presided over by Mr. Gorrell Barnes, afterwards Lord Gorrell, a gentleman who has had an enormous experience in matters of divorce. Certain of the recommendations contained in the majority report were acceded to in the minority report. These had to do with the extending of the grounds of divorce. but not in such a way as to be offensive to anybody. I only mention that in passing. The recommendation was made that the woman and the man should be placed on equal terms, and it is somewhat astonishing to find that that is the main recommendation in the majority report which was acceded to in the minority report. The Archbishop of York was one of those who signed the minority report, he and his two colleagues who signed the report with him concurring in placing the man and the woman on an equality. No Bill has ever passed the British Parliament bringing into effect the terms as a whole of either the majority or the minority report. An attempt was made in 1921 to pass such legislation as we are now seeking. That attempt was not successful. In 1923, however, a Bill was passed by the British Parliament which is four square with the Bill now before you for consideration. That Bill passed the House of Commons with a tremendous majority, and went to the House of Lords, where is was introduced by Lord Buckmaster and was supported by Lord Birkenhead, a member of the Government, and while some who did not believe in divorce under any circumstances dissented from it, it passed that House with an enormous majority, and it is now the law of England.

Hon. Mr. WILLOUGHBY.

Now, just a word as to the law which distinguishes between the rights of the man and the rights of the woman. The woman has got to prove cruelty. One might think that was a comparatively easy thing to do; but I may tell you that cruelty is one of the most difficult things for a wife to prove against her husband in a divorce court. I am not going to cite a lot of decisions, but I should like to refer to one which has been placed in my hands, and which I have taken the trouble to verify. It is a decision of the Appellate Court of Ontario, and shows what is meant by cruelty. It says:

To establish cruelty, one must show treatment likely to produce, or which produces physical illness or mental distress of a nature calculated permanently to affect her bodily health or endanger her reason, and that there is reasonable apprehension that the same state of things will continue.

Every practising barrister who has acted on behalf of a wife who attempted to establish cruelty in a divorce court has found that it is extremely difficult to prove.

Hon. Mr. BELCOURT: Was that a decision in an alimony action from which the honourable gentleman read?

Hon. Mr. WILLOUGHBY: Yes. Of course, there is no divorce court in Ontario. But I have the case of Russell vs. Russell, in which the rule laid down in the Ontario court has been followed. It has been followed in the courts of Alberta and Saskatchewan.

The other ground, desertion for two years without reasonable excuse, looks on the face of it to be an extremely simple thing to prove. It is by no means as difficult to establish as legal cruelty, but at times it has proved to be not a very easy thing to establish. The British Parliament passed legislation in 1884, I think, making it more easy for the woman to establish desertion. It is proposed, therefore, by this Bill to sweep away the inequalities, and to place a woman on an equality with a man in coming before the courts in an application for a divorce.

The Divorce Committee, of which I temporarily have the honour to be Chairman, is in no way bringing this Bill before the House for your attention, it is making no recommendation at all. All that Committee does is to attempt to apply the evidence given as a court of law would apply it—absolutely without sentiment. We sit qua judges for all practical purposes, and all we do is to place the recommendation of the Committee before Parliament for its approval. Any other member of this House might have brought this Bill before you, and it may be that some would have performed the duty better than I. I merely state this to make it clear that that Committee has nothing to do with this Bill, and that it comes in no way as a recommendation or suggestion from that Committee.

Hon. Mr. BELCOURT: By what rule is the Senate Committee on Divorce guided as to equality between men and women?

Hon. Mr. WILLOUGHBY: There is an absolute equality between men and women, and always has been, before the Senate Committee.

Hon. THOMAS CHAPAIS: Honourable gentlemen, I am sure that none of my colleagues will be surprised if I rise to oppose this Bill. I am against it because I am against divorce, utterly and absolutely.

To my mind, divorce is a great social evil. For centuries after the advent of Christianity, it was not to be found among the laws of any Christian nation. The indissolubility of the marriage tie was an undisputed principle. Unfortunately, in modern times, with the weakening of the religious spirit, and under the pressure of interest and passion, divorce began its steady march towards universal recognition by governments and parliaments. This was not a forward, it was a backward progression. It was a retrogression to paganism. It was a deadly blow to the Christian conception of marriage and to the stability of the family. No better dissolvent of those fundamental institutions could be devised. Divorce is the most alluring premium to unfaithfulness and to the violation of the solemn vows subscribed at the foot of the altar. It is undoubtedly conducive to decreased natality. It is a most powerful agent of wretched education, whereby unfortunate children, mercilessly torn between conflicting influences and grievously tossed through belligerent claims, are cheated of that noble dualism of love, of solicitude, of wise direction, from that paternal and maternal holy co-operation, which are the safest means of instilling morality and rightfulness in the heart of growing generations, and the best pledge of future greatness for a nation. To use the words of Theodore Roosevelt, "Divorce is a bane for a nation, a curse on society, and a menace to the home." And that menace is ever growing and getting new momentum.

The statistics on that subject are ominously illuminating. In England, the number of decrees nisi (for divorce) made absolute during the year 1921 was 3,464, as against 1,654 in 1919 and 577 in 1913. The registrar general of birth, deaths and marriages in his report for 1919 stated that "the number of divorces obtained in 1919 was about 50 per cent greater than in 1918, which was itself the highest up to that date, and with the increase of divorces there has been a corresponding increase in the number of persons who on re-marriage described themselves as divorced."

In the United States the courts are flooded with divorce cases. In 1922, a total of 148,-554 was reached. Some years ago an investigation was said to show that in the states of Oregon and Washington, during a six months period, the ratio was one divorce in every two marriages. It was such a state of things which made a well-known divine of New York, Dr. William T. Manning, declare "that the present system of easy divorce in the United States was in some respects less moral than the system of polygamy."

I do not want to take up the time of the Senate with a wearisome array of figures. Let me only say a word about the situation in France, as to the disruption of matrimonial bonds. The latest statistics available show that in 1922, 33,000 divorces were granted in that country, as against 11,657 in 1919, an increase of almost two-thirds.

Alas, our own statistics establish that Canada has entered the list and is strenuously endeavouring to emulate the countries where easy divorce is striving to lower the social standard. In our Dominion, during the year 1918, 90 divorces were granted. Four years later, in 1922, this figure had been increased to 544. Speaking only of "relief" granted by Parliament, during the last ten years, the number of divorces has grown from 33 in 1914 to 117 in 1923. Are not those figures alarming enough to justify a repetition of the old Roman saying: "Caveant consules!"

Divorce is the curse of Europe; it is the curse of England; it is the curse of the United States; it is fast becoming the curse of Canada. And allow me to add that it is the special curse of the Canadian Senate.

With such a conviction and such a feeling. I say how could we accept a bill whose acknowledged aim is to give divorce new facilities, is to enlarge its sphere and to widen its scope? It cannot but increase the already too fast increasing number of broken homes and disrupted families. This is evidence itself. If you enact that such a deed, heretofore not recognized as a just cause of divorce, shall henceforth be accepted as legally warranting a divorce decree, at once you open the door to numberless cases where the sacredness of marriage shall be assailed, and the social efficiency of the matrimonial bond shall be destroyed. A new means of securing divorce cannot possibly have any result other than a

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marked increase in the number of divorces. Such has been the case in England since the passing of the law enabling the English women to claim a divorce on account of the adultery of the husband. Allow me to quote a cable from London, dated 25th April, 1924:

A striking feature of the forthcoming law term here is the large number of divorce suits brought by wives under the new Act which gives women equal rights with men in the matter of ground for divorce, namely, proof of misconduct. There are nearly 600 undefended divorce suits entered on the court lists.

But the supporters of this Bill bring forth what they deem to be an unanswerable argument. They say: "We are fighting for justice. We strive to wipe away a shameful discrimination between woman and man. To the present day, man alone in Canada may ask for a divorce on the sole ground of the consort's adultery. The woman is refused that means of relief, and is debarred from obtaining a divorce decree on the single plea of the husband's adultery. This is unfair. Let us enact equality between the two sexes. Let us give them equal facility of attaining that noble goal, the right of repudiating the most solemn of human bonds."

Such a plea may be deemed plausible at first sight. It has even entrapped some sincere opponents of divorce. Still it is nothing else than wretched sophistry. If the power of obtaining divorce were morally and socially a boon. I would bow acquiescence in the inequality argument, and I would say: "Let it be a common boon to the woman as well as to the man." But, quite the reverse, that power is a moral and social evil. The exercise of that power is a fault, a transgression against religion and against society; and, because reprovable laws have empowered the husband to commit such fault and such transgression, will you contend that I am in duty bound to grant the wife the same means of committing the same fault and the same transgression? From the fact that mischievous, anti-Christian and anti-social laws make possible the transgression of the man, am I obliged to vote another mischievous, anti-Christian and antisocial law making equally possible the transgression of the woman? Nonsense! It is enough-it is too much-to have legalized the fault of the man. Do not ask me to duplicate it in adding the legal fault of the woman, under the wonderful pretence of re-establishing equality. What a strange misuse of words! Equality in welldoing is indeed a noble ambition, but equality in wrongdoing should never be aimed at, and should rather be dreaded and spurned energetically.

Let us go a step further. Even if that inequality argument were not mere sophistry, Hon. Mr. CHAPAIS.

one would enquire whether the discrimination maintained so long by the English laws between the husband's and the wife's adultery, considered as a legal cause for divorce, was due purely and simply to the arbitrary spirit of the masculine legislators. During a long span of years, the British Parliament has resisted the often-repeated attempts to wipe away from the statute books such a discrimination. Do you think that there were no reasons for such a strenuous and lasting opposition? The opponents of that measure deemed that the consequences of the wife's adultery were socially more grievous, more damnable, more baneful than those of the husband's adultery. From the moral standpoint, cf course, there is equality in the fault. Before God the sin of the husband and the sin of the wife are weighed evenly in the balance of eternal justice. But from the social standpoint there is a marked difference. Such a distinction was well defined by the Lord Chancellor of England during the debate on the Bill establishing a diverce court in 1857. Let us quote his words:

The lord Chancellor said there was an appearance of great justice about the proposal of the noble earl, namely, that the same privilege should be accorded to the one sex as to the other. Prima facie that seemed to be a reasonable proposition. Their Lordships had not, however, to consider whether the sin was as great in the one case as in the other, but they were required to adopt such legislation as might be most expedient for this country. This question was not whether a husband who was guilty of adultery might not, in the eyes of God, be equally guilty with a wife, but whether such an act of impropriety or of sin on the part of a husband called for the same remedy which ought to be afforded where a similar act was committed by a wife. Without entering into any discussion of the question upon moral or religious grounds, every man must feel that the injury was not the same. A wife might, without any loss of caste, and possibly with reference to the interests of her children, or even of her husband, condone an act of adultery on the part of a husband. But a husband could not condone a similar act on the part of a wife. No one would venture to suggest that a husband could possibly do so, and for this among other reasons which had been pointed out by jurists-that the adultery of the wife might be the means of palming spurious offspring upon the husband, while the adultery of the husband could have no such effect with regard to the wife.

Many other quotations could be brought in. Here is a declaration of Lord Palmerston:

I think no reasonable man who looks to the constitution of society and the results of marriage can fail to see that whatever may be the quality of the moral offence, the consequences of adultery are utterly different in the case of the woman.

This is surely a very striking argument. In order to give it its full significance, let us suppose the case of a nobleman, cr of a wealthy man owning large property and capital, whose wife commits adultery and gives birth to an illegitimate son. If the guilty secret is safely kept, it may happen that this spurious son shall inherit the titles, estates or wealth of the deceived husband, to the detriment cf the legitimate children. At a glance you can see what injustice, what family spoliation and what social wrong, may be the result of the wife's adultery.

I think I have shown that the opposition to this Bill is not inspired by a spirit of injustice and unfairness. Its motive is a deep attachment to the most sound principles, and the firm conviction that laws such as this one are a real peril to society. Family is the corner-stone of society. Divorce is the most formidable foe of the family, and every law aiming at encouraging, at multiplying, and popularising divorce, is eminently antisocial. In this country, as in many others, too long strides have been made in that path. Honourable gentlemen, do you not think that it is time to call a halt?

The stream of passion, of egotism, of treacherous lust, is battering the last protective dikes of the family. Do not lend a helping hand to the work of destruction. If you are not bold enough to entirely close the gates, do not open them wider, do not give passage to the roaring and dirty flood. On the contrary, make the gates narrower, less accessible, less easily opened. Do not be accomplices in the process of disintegration which is going on in Canada, as elsewhere, against our social institutions. The question of divorce is one of the episodes of that process. It aims at destroying the family. And to better attain this end its promoters assume the mask of fairness, of justice, of sympathy and pity for the wrongs of unhappy consorts. I do not deny the existence of those wrongs in many cases, but I say that divorce is no cure, or that it is a cure worse than the ailment. Of course, there are in this wide world husbands and wives whose lives are spoiled through no guilty deeds of their own; but we should remember that the weal of the collectivity must have precedence over the occasional woes of the individual. Let the victims of unlucky marriage suffer manfully and worthily. Such sufferings will not be lost if their ultimate result should be the preservation of that great institution, the family in all the stability, the strength, and the holy influence which make it the mainstay of society and the bulwark of the nation.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, I would like to say one word on the subject of this Bill. It is in substance a Bill to make it easier than it is now for a woman to get a divorce in this country. If some of those who think S=28 the sexes ought to be upon an absolute level of equality in all things would introduce a Bill to make it more difficult for a man to secure a divorce, it would seem to me a different story; but, failing such legislation, I intend to oppose the passing of this Bill.

Hon. L. McMEANS: Honourable gentlemen, I have listened with a great deal of pleasure to the honourable gentleman who spoke on this side of the House, and he is to be congratulated on his eloquence, which is seldom equalled if ever surpassed in this House. But leaving, aside the matter of his gifts in that respect, if we examine the Bill which is before us we must be convinced that it is not a Bill regarding divorce whatsoever.

This House and the House of Commons grant divorce, and the only law they follow is the English law, which puts both sexes on the same basis. If divorce is wrong, as the honourable gentleman stated, that is a different question altogether; but I am very much afraid that divorce is here to stay. It is recognized as part of the law of the country; it is in force in some of the provinces of this Dominion, and we recognize it in this House. We recognize that husband and wife are on equal footing when they come to the Senate to apply for a divorce.

What would be the position of affairs if this Bill did not pass? We would have the residents of Alberta, Saskatchewan and Manitoba coming to this House to apply for divorces when the question would be raised, whether there was any cruelty on the part of the What benefit would that be? husband. It would merely mean adding a great deal of expense to them; it would clog up the business of this House; and in a great many cases it would drive the applicants to the United States for divorce, where they would get it on grounds that we would not listen to.

The English law up to 1923, as I understand it, was that cruelty on the part of the husband had to be proven. It is very difficult to define what legal cruelty is. I think some judges have gone so far as to say that adultery on the part of a husband is legal cruelty to a certain extent. Other judges have defined cruelty as involving fear of one's life, or danger to one's life, before they would recognize it as legal cruelty. However, the British Parliament no doubt gave this matter a great deal of attention, before passing the Act in 1923 recognizing the equality of the sexes.

We know that in the western provinces— Manitoba, Saskatchewan and Alberta—the Act conferring the power to grant divorces was not practically intended in that way. As I understand it, the Act merely constituted the

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courts, and provided that those courts would have the same power as was possessed by the courts sitting at Westminister in England. Consequently the courts had the power over divorce. But they did not have the law as it existed in England in 1923: they went on the old English law passed in 1857 or 1858, if I recollect rightly. They have the same law to-day, and it is simply a question for the judges to determine how far cruelty has to be proven in connection with the question of adultery.

This Bill is sent to this House after having been thoroughly debated in another place and passed there by a majority. It would be an absurdity if we should have to say to the people of the western provinces: "You may operate under that old Act of 1858, but if you want to take advantage of the law as it exists in England to-day, you will have to come and apply to the Senate."

We cannot discuss divorce in connection with this Bill, whatever opinions we may have on it. It is only a question of bringing the English law to apply to those western provinces, because the Bill does not affect any other provinces. However opposed any member of this House is to divorce, I cannot see why any sensible man can oppose this Bill.

Hon. Mr. BEIQUE: I rise merely to say that I intend to vote against this Bill, for two reasons: first, from conscientious religious conviction I am against divorce of all kinds; and, secondly, even if I were not opposed to divorce, I would be against this Bill, because to my mind there is no parity at all between the offence of the husband and the offence of the wife, for the strong and excellent reasons which have been given by the honourable member from Granville (Hon. Mr. Chapais) in the brilliant address which he has made on the question.

Reflections have been made on the Fathers of Confederation in some quarters because, in framing the constitution, they recognized divorce. It is true that by subsection 26 of section 91 they declared that legislation on the subject of marriage and divorce would appertain exclusively to the Dominion of Canada. They were called upon to define the jurisdiction of the Parliament of Canada and that of the provinces, and they were of necessity compelled to deal with the subject, the more so because divorce was in existence at that time, and therefore it could not be ignored. Moreover, they were called upon to deal with the matter because in subsection 12 of section 92, enumerating the subjects which fall within the exclusive jurisdiction of the provinces, we find included the solemnization of marriage. Hon. Mr. McMEANS.

They were called upon necessarily to declare what legislative power would deal with the one matter or with the other; therefore it is not surprising that the Fathers of Confederation dealt with that question as they did. They might have assigned it exclusively to the provinces, but they deemed it proper to assign it to the Federal Parliament excepting the solemnization of marriage. Thus it was left to this Parliament to decide whether or not any legislation should be passed on the question. We have remained to this day, for over fifty years, without any legislation, and I think we can well afford to continue as we have done.

Hon. Mr. BARNARD: Honourable gentlemen, coming as I do from a western province. —although sometimes not deemed worthy of mention by my friends a little to the east, in what I may call the Middle West—I may say that this is a question which is of very deep interest and importance to the people of that province.

I have listened with a great deal of interest to the speech of the honourable gentleman from Granville (Hon. Mr. Chapais). Not only do I disagree with his conclusions, but I find myself equally differing with him in some of his premises. He speaks of divorce as being responsible for broken homes, for uncared-for children, and so forth. I think it is fair to point out that the homes were broken long before the divorce was granted, and the children were neglected long before the petition for divorce was filed.

I do not wish to continue the debate at this moment, as I would like to look up one or two authorities that may be of interest to the House. I therefore move the adjournment of the debate.

Hon. Mr. REID: Before the motion is put, may I ask the honourable leader of the Government if this Bill will be going into Committee? I intend moving an amendment to the Bill, and I suppose that if we go into Committee I shall have an opportunity of doing it there.

Hon. Sir JAMES LOUGHEED: It is a public Bill.

Hon. Mr. DANDURAND: My honourable friend must realize that I am not in charge of that Bill, and that, as I intend voting against it, I hope it will not reach the Committee stage.

Hon. Mr. CHAPAIS: That would be better.

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

CHINA CLAY—ST. REMI d'AMHERST BRANCH LINE BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 169, an Act to amend an Act respecting the construction of a Canadian National Railway line from the end of the China Clay Branch to St. Remi d'Amherst, in the province of Quebec.

He said: Honourable gentlemen, when a similar Bill was before us last Session there was considerable discussion of the protection with which we should surround the treasury of the Canadian National, with regard to the expenditure for the purchase of a right of way. Honourable gentlemen may remember that eight miles had already been built from China Clay towards St. Remi d'Amherst, and there remained two miles to be constructed. It appears that a company under a provincial charter had secured the right of way and had done some work over those two miles. We embodied in the Bill of last year a maximum sum to be paid for the purchase of those two miles upon which some work had been done. I do not at present remember whether or not there remained an option on the part of the company to build alongside, or to purchase another right of way, if the right of way that had already been opened could not be secured. In any event, the purpose of the present Bill is to raise the maximum amount which may be paid for that right of way from \$5,000 to \$14,000, the actual amount to be fixed by the Exchequer Court.

Hon. Sir JAMES LOUGHEED: What is the mileage?

Hon. Mr. DANDURAND: It is two miles. The honourable the Ex-Minister of Railways (Hon. Mr. Reid), who knew far more than any of the rest of us about matters concerning this right of way, was instrumental in suggesting that a maximum amount should be fixed. There has now been considerable negotiation between the Canadian National Railways and the owners of that road, and it has been deemed proper to come back to Parliament and ask that the maximum figure be increased as I have mentioned, the prices to be subject to the revision and dictum of the Exchequer Court. The honourable gentleman was concerned about the finances of the Canadian National Railway, but I understand that he is now agreeable to this legislation. T think myself that if it were not accepted the Canadian National Railways would have to select another route to St. Remi d'Amherst, and perhaps this one is, after all, the best location.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say who will receive the land grant? I understand there is a land grant.

Hon. Mr. DANDURAND: No. That has been dropped. There is no land grant to be had.

Hon. Sir JAMES LOUGHEED: That was discussed before the Committee last Session.

Hon. Mr. DANDURAND: I have been informed that an Order in Council was passed in Quebec by the Lieutenant Governor in Council, settling this matter.

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

CONSIDERED IN COMMITTEE

Hon. Mr. DANDURAND moved that the Senate go into Committee on the Bill.

Hon. Mr. REID: I understood that this Bill was to be referred to the Standing Committee on Railways. Honourable gentlemen will remember that last year I opposed it. I did not think that the two miles should be built in the first place. The Bill of last year, if I remember rightly-I have not looked up the matter since-allowed \$35,000 a mile for the construction or the taking over of those two miles. I did object to any such amount going in, or to any amount exceeding \$5,000 being allowed for the right of way and the work that had been done on it. My reason was that I remembered that when I was Minister of Railways and Canals there were, in connection with this short piece of line, a number of old claims which I did not think were justified.

When the Bill was before the Railway Committee last year the officials representing the Railway were, if I remember rightly, very strongly in favour of the construction of those two miles to a small village. Mr. Ruel, an official of the Canadian National Railways, spoke to me a day or two ago. He said that the officials had been over that road and found that much more work had been done on it than they had supposed, and that it was worth more than the \$5,000 to the Railway; in other words, that they would save money even if they had to pay a little more than the \$5,000 to go over that line; that if we left the maximum at \$5,000 it was not fair and they would have to take another route, which would be very expensive. He said that the amount to which they were limited should be \$14,000.

Hon. Mr. DANDURAND: Although not admitting that amount.

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Hon. Mr. REID: Although not admitting that. He assured me that if the matter went before the Exchequer Court they would fight the claims, and the amount should not exceed the \$5,000, but they did not think it was fair to go with the \$5,000 maximum. My answer to him was that if it had been decided finally to construct the two miles, and if, though costing a little more than the \$5,000, it would be less expensive to go that way than to take an altogether different route, then I would not oppose the plan when it came before the Railway Committee of the Senate and he explained it to the Committee as he had explained it to me. That was my position. and now I would like to see the Bill referred to the Railway Committee, who could hear Mr. Ruel's story as he told it to me. He would give to the Committee the reasons why he wants to have the maximum allowance increased, and if he can convince the Committee, as he has convinced me, that it would be better to pay perhaps a little more, I have no objection to make to the Committee deciding in favour of his proposal. Therefore I would like to have the honourable leader of the House send this Bill to the Railway Committee, as other Bills have been sent.

Hon. Mr. DANDURAND: Perhaps the Senate will do this much homage to my honourable friend, that in view of the fact that he has been convinced of the correctness of the arguments of the Canadian National Railway representative, we shall adopt his judgment as our own, in order to facilitate matters and pass this Bill through Committee of the House. It is a very simple matter. It must go before the Exchequer Court. The Canadian National Railways will make the best case possible. The maximum figure is \$14,000. I would urge my honourable friend not to insist on this Bill being sent to the Standing Committee on Railways, Telegraphs and Harbours, when he himself is satisfied and no other honourable member asks that it be sent to that Committee.

Hon. Mr. REID: My only objection is that a precedent may be established. Other Bills may come down that should be referred to that Committee. I think the other members of the Committee should hear Mr. Ruel's statement. It should not take very long, and the Bill would then follow the ordinary course.

Hon. Mr. DANDURAND: My honourable friend may take it for granted that if any other branch line proposal is presented and it is of any importance, I will not object to Hon. Mr. REID. its being referred to the Standing Committee on Railways, Telegraphs and Harbours. That Committee did consider all these branches last year. We gave more time to this little two-mile branch than to lines involving millions of do!lars. In this case the maximum is increased from \$5,000 to \$14,000, but the amount is to be settled by the Exchequer Court. Surely we should not attach such importance to this matter as to abandon the ordinary procedure of dealing with such Bills in Committee of the Whole.

Hon. Sir JAMES LOUGHEED: I would point out to my honourable friend that while he may be thoroughly convinced of the reasonableness of this proposal, and while the General Solicitor of the Canadian National Railways has satisfied my honourable friend from Grenville (Hon. Mr. Reid), there are ninety odd other members in this Chamber and they have not had the opportunity of discussing the matter with the General Solicitor. The same Bill was referred last Session to the Railway committee, and it was one of the most contentious Bills under consideration by that Committee. That may have been due to the paucity of the road, its length being only two miles, though it is, I presume, of standard width. While my honourable friend may be thoroughly satisfied, it might be unsafe to take for granted that the ninety odd other members of this Chamber will be satisfied.

Hon. Mr. DANDURAND: I am not depriving the ninety odd members of this Chamber of their right to examine into this Bill. They may do so in Committee of the Whole. I would only point out to my honourable friend that the railways have the right to build a six-mile branch without coming to Parliament, and this is a two-mile branch.

Hon. Sir JAMES LOUGHEED: But they cannot appropriate \$28,000 without coming to Parliament.

Hon. Mr. DANDURAND: May I refresh my honourable friend's memory? The situation existing is rather cruel to three or four fairly large centres, who are awaiting the completion of those two miles in order to save a ten-mile haul, which they are now obliged to make to China Clay. The twomile extension will bring this railway to St. Rémi d'Amherst, to which there are three or four villages already tributary, within a radius of ten or twelve miles.

Hon. Sir JAMES LOUGHEED: It will not suffer any delay. You cannot put the Bill through until the Deputy Governor comes down and gives his assent.

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Hon. Mr. DANDURAND: That is true.

Hon. Sir JAMES LOUGHEED: We will have it through by that time.

Hon. Mr. DANDURAND: The Deputy Governor will come, even if we have not a Black Rod. Does my honourable friend insist?

Hon. Sir JAMES LOUGHEED: I think it is a very bad precedent to set. While these branch line railway Bills may be regarded as Government measures, yet to all intents and purposes they are railway Bills, which ordinarily are referred to the Standing Committee on Railways, Telegraphs, and Harbours.

Hon. Mr. DANDURAND: I make this request because we have had such a tremendous amount of discussion on this matter.

Hon. Sir JAMES LOUGHEED: If my honourable friend will assure us that the Bill will not be in jeopardy if it goes before the Committee on Railways, Telegraphs and Harbours, I will consent to it going before this Committee.

Hon. Mr. DANDURAND: I think it would be as safe there as it is here.

Hon. Sir JAMES LOUGHEED: All right. The motion of Hon. Mr. Dandurand was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Gordon in the Chair.

On section 1—commencement of construction subject to certain conditions:

Hon. Sir JAMES LOUGHEED: What are the claims referred to which have to be adjusted?

Hon. Mr. DANDURAND: It is simply a question of the claims on the right of way.

Should the location of the said line of railway be approved by the Governor in Council, upon the location of the line of railway of the River Rouge Railway Company or the Rouge River Railway Company between China Clay and St. Rémi d'Amherst, the compensation to be paid by the Company in respect of the acquisition of an unencumbered title to such right of way and all prior construction thereon shall, on the application of the Company, be determined by the Exchequer Court of Canada and shall be based on the value to the Company of such right of way and prior construction, but shall not in any case exceed fourteen thousand dollars. The Company upon such determination shall pay into the Exchequer Court the amount of compensation so determined, which shall be distributed by the Court among the persons filing claims in respect thereof in such sums as the Court may determine.

Hon. Sir JAMES LOUGHEED: What would be the amount already claimed? There must be an amount that has been determined, particularly in view of the fact that the Government has fixed this at \$14,000 a mile. Hon. Mr. DANDURAND: I am informed that the company which built along that line claim to have made considerable expenditure on the roadbed. I do not know how much they claim to have paid for the right of way. We are paying no claims for \$25,000 or \$30,000, but they were very obdurate in contending that they had gone to that expenditure. Of course, there is quite a gap between \$5,000 and the amount they were claiming. I do not know how the Canadian National Railways came to the figure of \$14,000; but at all events that is the leeway.

Hon. Sir JAMES LOUGHEED: Is this purely for payment in satisfaction of those claims, or does it include an amount of assistance to be given by the Government to the National Railway?

Hon. Mr. DANDURAND: No. This is the Canadian National Railway, of course.

Hon. Sir JAMES LOUGHEED: Are they coming back again for more money for construction purposes?

Hon. Mr. DANDURAND: No. The matter was settled last year when we voted the building of the line but restricted the Canadian National Railways to \$5,000 in the liquidation of these claims.

Hon. Mr. REID: If I remember rightly, when the matter came before me there was some firm in Montreal that had the title of the two miles. They had a lot of work done -in fact, the ballasting was all done and ready for the rails-when the trouble arose with Mackenzie and Mann. The Mackenzie and Mann interests would not take over the road because of the large claims made for these two miles. When it was to be taken over by the Canadian National Railway a very large amount was asked for these two miles; and I understood at the time that no money had been paid to the people who actually did the work of ballasting and so on. The firm failed and did not meet their liabilities, and the amount that we voted was to pay a portion of the claims of the people in that locality who did the work, and was also to include the right of way.

Last year it was represented that some \$30,000 or \$35,000 would be required to pay the claims of those who actually did the work. I thought at the time that was too much, and that we should keep the figure down to \$5,000. Mr. Ruel, however, tells me that the work was actually done, and that \$5,000 is really less than should be paid. He thinks more should be paid, although the other people are not willing to accept \$14,000. The money has not even been deposited in court, and the railway is going to fight the case and keep the amount down as low as possible. That is the reason why I said that the Committee could take whatever action it thought fit, and I would agree.

Right Hon. Sir GEORGE E. FOSTER: With reference to the last section:

The Company upon such determination shall pay into the Exchaquer Court the amount of compensation so determined—

Then comes the point of distribution. As I understand it, there is the company which claims \$25,000, or whatever it is, and then there is a claim by the people who actually did the work and who say that that corporation or whatever it was had not met the bills. In respect to the court's determination, will the second-mentioned class of claimants come in and have their claims adjudicated by the court?

Hon. Mr. DANDURAND: I would think that has been added just for the purpose of having all those who contributed to the building file their claims and establish their rights.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

CITY OF OTTAWA BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 172, an Act to authorize an agreement between His Majesty and the Corporation of the City of Ottawa.

He said: Honourable gentlemen, as all members of this Chamber must know, the sum of \$75,000 has been paid for quite a number of years by the Dominon Government to the city of Ottawa in compensation for services rendered. The city of Ottawa for a number of years, more especially since the war, has been claiming an increase from the Dominion exchequer. This claim has been resisted to date, but this year, after considerable discussion, the Government has agreed to lay before Parliament the request for \$100,000 instead of \$75,000. I understand that the authorities of the city of Ottawa are not quite satisfied. They are not protesting to the point of refusing the \$75,000, but they claim a much larger compensation Hon. Mr. REID.

because of the higher cost of administration. This is the Bill which, for the next five years, I believe, will govern our relations with the city of Ottawa on this score.

Hon. Sir JAMES LOUGHEED: Are we getting any additional advantages?

Hon. Mr. DANDURAND: The Bill carries no other alteration to the agreement.

Hon. Mr. DANIEL: This amount is in addition to what is being paid the city of Ottawa for beautifying purposes?

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. DANIEL: And that amounts to \$100,000 or \$150,000?

Hon. Mr. DANDURAND: Yes. In addition to this grant there is paid to the Ottawa Improvement Commission \$150,000 a year.

Hon. J. G. TURRIFF: Honourable gentlemen, I just wish to point out that in addition to this increased payment the Government is paying about \$365,000 annually to the city of Ottawa. I do not rise particularly for the purpose of objecting to the amount, but I wish to draw the attention of the leader of the Government to the fact that we are renting now from private individuals in the city of Ottawa buildings to the extent of practically \$1,000,000 a year, in round figures-\$990.000 odd—and that once these buildings are rented to the Government no taxes are paid on them to the city of Ottawa. It seems to me that it would be better business, and would bring about a saving in the end, if the owners of a block or a flat, or a room rented for office or other Government purposes, were not exempted from taxation by the municipality, but paid their taxes like anybody else, and fixed the rental accordingly. It is well known that in addition to the buildings being exempted from taxation, the Government pays a high rent, in many cases much higher than could be got from others, even if the owners were paying their own taxes. I would like to suggest to the leader of the Government that the Government should take note of this matter, it is not new; I have brought it up before in the other House, and I think probably here also-something ought to be done along that line.

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. Taylor in the Chair.

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Section 1, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

CUSTOMS BILL

FIRST READING

Bill 145, an Act to amend the Customs Act.—Hon. Mr. Dandurand.

QUEBEC HARBOUR ADVANCES BILL

FIRST READING

Bill 160, an Act to provide for further advances to the Quebec Harbour Commissioners.—Hon. Mr. Dandurand.

GOVERNMENT EMPLOYEES COM-PENSATION BILL

FIRST READING

Bill 167, an Act to amend an Act to provide Compensation where Employees of His Majesty are killed or suffer Injuries while performing their duties.—Hon. Mr. Dandurand.

POST OFFICE EMPLOYEES BILL

FIRST READING

Bill 168, an Act to amend the Civil Service Act of 1918 respecting certain Post Office Employees.—Hon. Mr. Dandurand.

PUBLIC SERVICE LOAN BILL

FIRST READING

Bill 170, an Act to authorize the raising by way of loan certain sums of money for the Public Service.—Hon. Mr. Dandurand.

PRIVATE BILLS

FIRST READINGS

Bill 20, an Act respecting a Patent owned by the Concrete Surfacing Machinery Company.—Hon. Mr. Belcourt.

Bill W5, an Act respecting a Patent owned by John E. Russell Company.—Hon. Mr. Belcourt.

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

THE SENATE

Thursday, June 11, 1925.

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

Prayers and routine proceedings.

FINLAND TRADE AGREEMENT BILL THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 128, an Act respecting trade between Canada and Finland.

Hon. Mr. BEAUBIEN: Is there any reason why the Bill should be read right away?

Hon. Sir JAMES LOUGHEED: Are they waiting in Finland to get word about it?

Hon. Mr. DANDURAND: No, but we may have the Deputy Governor to-morrow. Since the United States has an agreement with Finland, it is perhaps better that we should inform our exporters of the advantages that may accrue to them under the Treaty. The matter was examined very minutely by the Committee on Banking and Commerce; and after hearing the External Trade Commissioner attached to the Finance Department the Committee unanimously adopted the proposal.

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

NETHERLANDS CONVENTION BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 129, an Act respecting a certain Trade Convention between His Majesty and the Queen of the Netherlands.

He said: Honourable gentlemen, I may say the same for this agreement with the Queen of the Netherlands. The matter was very seriously examined, and in detail, as to the effect of this arrangement upon the trade, which is already quite considerable, between our country and the Netherlands. We sold to them last year \$12,000,000 worth. They sold to us \$5,000,000 worth. Many people who are developing that trade feel that they will be secured in the advantages that they are reaping from it if this agreement is passed.

Hon. E. D. SMITH: Honourable gentlemen, it was understood when these two Bills were sent to the Committee that discussion on the principles of them would be taken up when the Committee's report was submitted to this House, and I would like to say a few words in regard to this Treaty with the Netherlands.

This Treaty provides for a reduction in duty on a number of articles. It is one of many Treaties that have been negotiated with different countries during the past two or three years, all of which eat into the principle of protection. We have not in this country any positive policy, whether of protection or free trade or revenue tariff. I think that we ought to have some positive policy. We are supposed to have a protective policy in general, but as a matter of fact it is simply a hotch-potch. There is ample protection upon some lines, perhaps enough protection on others, whereas on a number of other articles which ought to be protected there is either not enough or none at all.

The principle of protection is one that has been sustained by the people of this country many different times, and the reason for that is that, looking around, they see what has been the effect throughout the world in the last fifty years. There was a time when Great Britain had the policy of protection and established herself as supreme in the markets of the world. Great Britain hoped to retain that supremacy by doing away with import duties and making the cost of living low and labour cheap. Other nations, though -Germany, France, the United States, and most of the nations of the world-saw that that policy would destroy any opportunity for them ever to become great, powerful, prosperous nations; so they adopted the policy of protection-and I think that no honourable member of this Chamber can say that it has not succeeded. The United States in less and a hundred years have risen from being an agricultural country to being the greatest manufacturing country in the world. Is there any man in this Chamber who would say that they would have done that had they not protected their industries? I do not think so. I do not think it is possible for anybody to maintain that contention.

Unfortunately, we are in a worse position. Not only have we to contend with all the nations of Europe, with their cheap labour, but we have the United States, with its 3,000mile border, alongside us, and its mass production, which enables it to manufacture in most lines more cheaply than we can possibly do. So, as regards the rest of the world, we are in a position even worse than was the position of the United States fifty or a hundred years ago.

It seems to me that if we are to sustain ourselves and ever to become a great nation, we must adopt a policy of adequate protection. I think "adequate" expresses what we want better than any other word, unless we might

Hon. Mr. SMITH.

qualify it by saying, "and not more than adequate." I do not believe in any duty higher than is necessary. We all know that where duties are higher than are required, advantage may be taken of them; and we shall never know whether or not that is the case in any industry until we have a board of experts whose business it will be to examine each item of the tariff and all the industries of the country, and make a report to the Government, stating what is necessary in order that the industries of Canada may be placed on an equal footing with those of other countries. Until we get that board we shall not know what we are doing. We do not know what we are doing now. We are going along with hit-or-miss arrangements; as I said before, with more protection on some industries than we need, with a sufficiency on others, and with less than enough on others. Many industries have already died, others are dying to-day, and we witness a great exodus from this country. We see our population departing because there is not work here for them to do.

Surely it is the duty of the Government, if it has any duty at all, to see that work is provided for the people who live in this country and for such others as may come in. The Government's policy is inconsistent, and it will always be inconsistent, until we have a board of tariff experts, men whose duty it will be to examine every industry and report to the Government what is needed. Then it will be for the Government to determine its policy, whether it is to be a policy of protection, or a policy of a revenue tariff, or a policy of free trade. The Government today has no means of knowing, and nobody can tell, whether an industry has sufficient protection, too much, or too little. Only those engaged in the industry can tell, and their books should be open to this board of tariff experts. After the representatives of every industry have come forward and stated their case, pointing out what they think they ought to have, it should be the duty of this board of experts to see whether they were telling the truth or not. The board should have power to examine their books and, if necessary, to go further than that-to go to the country that is our strongest competitor and ascertain if what they state is true. Having learned all the facts, it should report to the Government, and the Government should impose on the articles such a duty as will enable the Canadian to be a least on an equal footing with the strongest foreign competitor. Surely that is the least we may expect of the Government. I should go further

than that and see that the Canadian had a little advantage. I do not see why he should not have.

It has been disputed by the honourable leader in this House that depression exists in this country, and I want to give proof, which I think cannot well be controverted, that we have in this country a very serious depression. I will give evidence that I do not think the honourable leader of the House or anybody else can deny.

We have a National railway and we know exactly what it is doing in regard to the quantity of freight it hauls. Surely the quantity of freight of various kinds that the National Railways carry is some indication of the prosperity of this country. If people are not doing anything, they do not have anything to be carried. If they are prosperous they have a good deal to be transported.

Last year the Canadian National railways alone carried 770,000 tons less of iron and steel than they did the year before. Surely that is an indication that those engaged in the industry of producing iron and steel are not flourishing. They had 770,000 tons less of iron and steel to ship on the National railways, to say nothing of the Canadian Pacific, which probably had correspondingly as much less than they shipped in the previous year.

It is claimed by those who wish to defend the Management of the Clanadian National Railways that the loss of traffic last year was due to a shortage of the wheat crop. There was no such thing. They carried only 691,000 tons less of wheat last year than they did the year before. The fact of the matter was that the first three months of the year were the best they ever had for the hauling of wheat, because they were carrying wheat of the year previous, when there was a big crop. So that the total quantity of wheat carried last year was only 691,000 tons less than the year before, whilst the quantity of iron and steel was 770,000 tons less than in the preceding year. The depression in regard to the steel industry was worse than what might be called the depression in the production of wheat.

Besides, there were 115,000 tons less of automobiles and trucks. Surely that indicates that people were not sufficiently prosperous to buy as many automobiles and trucks as they did the year before; and the preceding year was not a prosperous one.

We are comparing 1924 with 1923. This depression has existed since 1921, when deflation first took place, and year by year it has been getting worse and worse. Last year, 1924, it was the worst of all. Now, take unclassified manufactures and merchandise. Surely if there

is anything that will represent the activities of the people of this country it is unclassified manufactures. Our National Railways hauled 680,000 tons less last year than the year before; and if the C.P.R. has a similar record, the total reduction is a tremendous amount. There would be as much decrease in the shipments of unclassified manufactures as in the quantity of wheat carried. Of cut stone there were 260,000 tons less; of iron ore, 287,-000 tons less; of sawn lumber and timber, 561,000 less.

Surely all these things represent, if they represent anything, that there existed in the country a depression which prevented the people from being active in their industrial life and I submit that that is incontravertible proof of the seriousness of this depression.

The honourable leader intimated that there were only 5 per cent of the manufacturers not satisfied. Perhaps he judges that by the number of deputations that come to the Government. I suspect that deputations found, early in the career of this Government, that it was useless to come asking for any assistance along the line of tariff protection. I myself introduced various deputations at different times. We were courteously received; we were listened to attentively; our arguments were never controverted; but finally we were told, in very sweet tones, that is was a very inopportune time to ask for further protection.

This Treaty that we are discussing to-day is only one of many, as I said before. We began with the French Treaty, of which this is a copy. The French Treaty started out with a reduction of the duties on wines. That was one of the principal items. We had to give something to induce the French people to sign the Treaty, and, as wine-making is one of their principal industries, wines of the ordinary class were allowed to come in at 15 cents a gallon, whereas previously the duty was 55 cents a gallon. That is an enormous concession. What was the consequence? The grape industry in Ontario, which is carried on to the extent of about 10.000 acres, was hit such a blow that the grapes would not have been worth growing if something else had not happened at the same time. The grape-growers were driven out of the province of Quebec, which previously had been their principal market, but prohibition came into Ontario, and in connection with that was the fact that native wine could be used. As imports into Ontario were prohibited, the Ontario winemaker was given the exclusive control of the Ontario market, and has, I think, flourished very well. But his market was restricted to one province instead of embracing the whole Dominion.

Now we are negotiating a Treaty with Australia. I do not know what are the details of that Treaty; we have been waiting to see them before us. I understand, at any rate, that one of its provisions is that fruit products, fruit preserved, articles that are made of fruit, are to come into this country under the British preference rates. It is said by the supporters of this Government that they are lowering those duties, and that all those concessions are needed by the farmers. The farmers of the West are demanding of the Government, with a pistol at their head, that they make reductions in order that the farmers can produce, and it is said that they cannot be benefitted by putting duties on wheat and cattle, but can only be benefitted by taking duties off the necessaries they have to buy. Here are numerous industries that can be benefitted by increased protection; but, instead of giving the farmers this increased protection, the government take it off. Every time there is a Treaty made with any country there is something taken off what the farmers produce, and I understand that a portion of the concessions we are going to give under the Australian Treaty is that duty is to be reduced on manufactured fruit products.

In regard to the duties on fruit, I want to show that they are ridiculously low. As I see this tariff, it is a hotch-potch; there is nothing consistent about it. The duties on many manufacturing goods are 30 per cent or 25 per cent; but the duties on fruit are all specific duties, that were fixed 40 years ago and have not been changed, with one or two exceptions. Forty years ago a duty of 2 cents a pound or 1 cent a pound many have been fairly protective, but the cost of producing that fruit is now double and treble, yet the duties remain the same. The price is based on cost, and the price has doubled and trebled because the cost has doubled and trebled, yet the duty remains the same. A duty that was 25 per cent 40 years ago is now only 10 per cent.

We imported into this country last year \$722,000 worth of apples. Although the duty on apples was increased during the administration preceding this to 90 cents a barrel, it is only 18-1/3 per cent. It is not consistent with the duties on manufactured goods.

Apricots, of which we imported \$79,761 worth. has a duty of 1/2 cent a pound, equal to 7-2/3 per cent ad valorem. Cherries were imported to the extent of \$79,674; the duty is 2 cents a pound, which is equivalent to only 11 per cent. Peaches were brought in to the amount of \$609,318; the duty is 1 cent a pound, which, converted into ad valorem, Hon. Mr. SMITH.

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is 24 per cent—the only one that is in any way reasonably near the duties that are protective in this country. Pears were imported to the extent of \$807,059, with a duty of $\frac{1}{2}$ cent a pound, equivalent to 11-1/2 per cent ad valorem. Plums came into this country to the extent of \$358,212, the duty being 30 cents a bushel, equivalent to 8-1/2 per cent. Strawberries were brought in, worth \$750,400, under a duty of 2 cents a pound, equivalent to 13-2/3 per cent.

Honourable gentlemen will see that all those duties are low. They are not protective duties in any sense at all. They are not even revenue-producing duties. We could get double the revenue from those fruits if we doubled the duties and imported as much as we do now, and if the importations were less than now the duty would be somewhat protective to the fruit-growers, at any rate.

The fruit-growing industry is a magnificent one, employing a good many thousands of people, but it has been in the most depressed condition for the past four years that it ever has been in the history of this country. While fruit-growers have been producing pretty heavy crops, those crops would all be marketed in Canada at a fair price if it were not for the enormous importation. We import almost as much fruit in the season when our fruit is on the market as we produce at home. notwithstanding that we are producing at a loss. It is not correct to say that those fruits are brought in during different months from those when ours are on the market. It is said that plums, peaches and pears come in when ours are not already on the market; but I want to controvert that theory by the statistics from the bluebooks. I have a statement going back for five years; but I will just give the figures of last year in regard to plums. Our plums come on the market in July, August, September, and October; those are the heaviest months of production. Last July we imported 31,000 bushels of plums-I am just dealing with one item, plums, because I do not wish to cumber the record; and everything else is in the same line. In August we imported 30,000 bushels; in September 30.000 bushels.

Hon. Mr. ROCHE: Are not plums variable as to when they grow, one year with another?

Hon. Mr. SMITH: No. In Ontario we have missed only one crop of plums in 40 years. We have many years when thousands of baskets of plums fall to the ground unpicked because the markets are filled month after month, the whole season through, with American plums. It "may be asked: "How

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can that be so? Surely they are dearer." Yes, they are dearer; people pay twice as much for those American plums, and they are not half as good as ours. Our fruit-growers are producing them now at a dead loss, and our plums can be bought at a good deal less than the price of American plums. The position is peculiar, and may seem difficult to explain, yet it is quite explainable.

Half of the plums, peaches and pears are sold by the fruiterer at his little stand. He sells them out by the pound or by the small package. He has found by long experience that Ontario fruit decays rapidly. When it is ripe and luscious it will not keep long; if by accident he holds it over for one day, some of it begins to spot, and he has to sort it over. If he keeps it two or three days, it becomes very bad, and he loses a lot. He has learned that there is more profit to him in buying California fruit, which does not rot. It is more like the turnip; it does not taste well, but it looks well; it is large and fine, and well packed, and the fruiterer does not lose anything, but makes a profit on He pays twice as much for it that fruit. as for our fruit, but the customer does not know much about it, because he is only buying it singly or by the dozen, and perhaps is not paying more than he would have to pay for home-grown fruit bought in such small quantities. The fruiterer absorbs the difference, because he is saving what he would lose by decay on Canadian fruit. Thus one-half of the fruit sold in this country is California and western fruit, simply because it does not rot, it keeps well, and consumers pay little more for it.

I submit that if a reasonable protective duty were put on, if it did not keep out any of this fruit, the Government would get double the revenue, and if it kept it out, it would help the fruit-grower by giving him a wider market. Some people seem to think that because of a protective duty the consumer is going to pay more for the article than it is worth. That is the greatest fallacy that was ever stated on any platform or in any newspaper, and I can give you an easy proof of that.

Forty years ago there was a duty of 2 cents a pound put upon grapes. The Government found that the grapes imported were high in price because they came from Spain, and 2 cents a pound seemed to be a moderate duty. It was a moderate duty so far as the Spanish grape was concerned, but what was the result? Our grape-growers found a profit in growing grapes, and so they planted out acres and acres until they came to, the point

when they were selling grapes, 30 years ago and ever since, for less than the duty. Did the consumer pay the duty on them? For 20 years the fruit-growers only got 1 cent or $1\frac{1}{4}$ cent a pound for the grapes, net, while the duty was 2 cents. There was a duty of 100 or 200 per cent on them.

Hon. Mr. DANDURAND: Which would mean that there need not be any duty on.

Hon. Mr. SMITH: No, not at all; it meant that they captured the Canadian market and retained it because that duty was on, and the consumer did not suffer one bit; he got the grapes at the cost of production. The same thing would occur with all other fruits. Put on a duty sufficient to give reasonable protection, 25 or 30 per cent, and the benefit would follow: we would find a market for all the fruit that is now going on the ground, and the consumer would not pay any more than enough to make a return to the fruit-grower of the cost of production, and, we hope, a lettle profit.

I want to make a remark about some other agricultural products. We negotiated a Treaty with Italy, and last year we imported 754,803 pounds of tomatoes in cans from that country. That was because the duty was reduced by this Treaty from $1\frac{1}{2}$ cent a pound to 1 cent a pound, which means 121 per cent. The Government puts a duty of 35 per cent on a manufactured article, and 121 per cent on the farmer's product; yet this is claimed to be a Government that is very benevolent to the farmers of the country. Peas in cans came from Belgium and France, under the Treaty that was negotiated last year, to the extent of 894,168 pounds, under a duty equivalent to $10\frac{1}{2}$ per cent. But why should the duty be 8, 10 or 11 per cent on farmers' products when it is from 25 to 35 per cent on other goods, especially under a Government that professes to be the friend of the farmer? The men engaged in producing these things are all farmers; other products besides wheat and cattle are grown on farms.

Under this Treaty there is a reduction of 5 per cent—from 20 per cent to 15 per cent on agricultural products that can be produced in this country. They are brought down like other things I have enumerated, to a level of 10 or 15 per cent, or something like that. The items I refer to are rose bushes and nursery stock n.o.p., which consists mainly of shrubs, evergreen or deciduous trees. It has been said that rose bushes are brought in by florists, but I know better. These rose bushes are brought in by retail merchants and seedsmen and sold by retail over their counters. Canada imported \$28,000 worth. Florists might buy \$1,000 worth in a year. These and other nursery stock, such as shrubs and trees, can be grown as successfully on the farms in Canada as in Holland, yet \$72,000 worth of them were brought in.

Some people say: "If you can grow them as successfully as they grow them in Holland. why do you not grow them, and supply the market?" That is very easily answered. Labour in Holland costs 11 cents an hour. I have a statement of the Labour Department here showing that agreements were entered into between the Agricultural Labourers' Union and the farmers for a year, which is now running, and these are the terms of that agreement: November to April, 10 cents an hour; April to July, 11 cents an hour; August to September, 13 cents an hour; October, one month, 12 cents an hour; or an average of 11 cents an hour for labour, while we have to pay from 25 to 30 cents an hour for it. Everybody knows that production on the farm consists chiefly of labour. The imports are at least 75 per cent labour, and the labour cost is 11 cents an hour as against our 25 or 30 cents an hour, a good deal less than one-half what it is here. Everybody can see that under such a difference in cost a duty of 15 per cent is not enough to put us on a level; it would take 30 or 35 per cent to do so. But, instead of putting the duty up to 35 per cent, we have it cut down from 20 to 15 per cent on rose bushes-which, by the way, are luxuries. There might be some excuse against putting heavier duties on articles of necessity, such as food; but what argument can there be for making an article of luxury cheaper in the country at the expense of the farmers of Canada, who can grow these things just as well as can be done in Holland, and as cheaply, if they could get labour at the same price? The fruit-growers would not ask for protection at all if labour here were on the same level as in Holland, Belgium, or France. We could supply the market ourselves without protection in that case, for we can do anything that anyone else can do; but when we have to pay men 30 cents an hour we cannot produce an article as low as our competitor who pays only 10 cents an hour for labour. Is it not the duty of the government to see that all these things that can be produced in this country shall be produced here? I think so.

This Treaty is only one of many that are entered into without regard for the natural Hon. Mr. SMITH. industries of this country. These are the best industries that a country can possibly have, and those who are engaged in them are in an exceedingly distressful position. Many of our fruit growers in the Niagara district cannot pay their bills. They have had no profits for four years. They have produced for several years without profit or at a dead loss; yet this condition could be remedied by one stroke of the pen.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I would like to add just one word in protest as to the method in which the present Treaty is being granted to the Netherlands. The Government took a great deal of trouble in negotiating the Treaty with France, which covers several hundred items. Now the Government is dealing with the Netherlands, and is handing to that country holos bolus the entire French Treaty, with several hundred items upon which very substantial reductions are made.

What is the excuse for the Government doing that? The excuse is very simple, to my mind. They say: "There is no danger; the Netherlands will not use those items; they will use only very few of them; therefore, as the balance of trade between our country and the Netherlands is in our favour, why not make the Treaty?" My objection to that is two-fold. First, when you give advantages that are not used to-day, there is an incentive to have them used to-morrow. But there is another objection which is very much more serious. It is that to-day we have Germany competing with our own manufacturers by sending its product to Great Britain, having it finished there, and then selling it in our markets. If that is the case with England separated by hundreds of miles from Germany. what is going to be the result of this Treaty. and to what extent will the Netherlands be used as a jumping-off point for German goods to come there?

If the Government intend to give the advantages on only a few items contained in these schedules to the French Treaty, why do they not say so? Surely if they were making a contract for themselves, they would not have it so loose, and they would not give holus bolus advantages on hundreds of items when only a very few would be used. Would it not be better to tighten up their contract, and say to the Netherlands: "What is the use of giving you advantages on all the items? You cannot use them; we are going to give you exactly what suits you, and keep the rest." But what is the real purpose? I repeat that the purpose is clear: it is that when the Government wants to reduce the tariff directly, it is confronted by very serious and stiff opposition. But when this can be done in a roundabout way, by means of treaties, it accomplishes the same result, and the opposition is much less. Take the list of countries with which we trade, and mark the names of those which have received the advantages of the most-favoured-nation clause, and you will be surprised. The Government within the last few years have extended that Treaty, and they are continuing to do so.

What is the result? The inevitable result is that before long every nation in the world will have the benefits of the most-favourednation clause of the French Treaty, which contains very material reductions, and which everyone of us thought, when it was made, would be limited to France, and was granted as quid pro quo for a very serious consideration granted to Canada. But where do we stand to-day? All these advantages are being passed out wholesale to every country in the world, and the result is that our tariff wall is being knocked down all along the line-one section going for one country, another section for another, until we can hardly see a place in the wall which is to-day of its original height. I for one protest that it is not necessary, and the Government admits that it is not necessary, to give reductions all along the line such as are contained in the French Treaty.

Secondly, I say that in less than a year we shall have on our markets more German goods that come through the Netherlands; and thirdly, I say that this is an indirect method of reducing the tariff which is essential-and never more essential than it is to-day-not only for the manufacturer, but, as has been so well said by the honourable gentleman who has taken his seat (Hon. (Mr. Smith), for the farmer of this country. Without it you cannot keep your population; without it you cannot pay your debts; without it you cannot continue very long without impairing very seriously, if not destroying entirely, the integrity of Canada.

Hon. R. DANDURAND: Honourable gentlemen, I know the theories of my honourable friend; we have heard them before; they are always very excellently presented. He does not believe in reciprocal advantages being agreed to between Canada and other countries on the general line of granting most favoured nation treatment. He sees only the possible imports into this country; he never sees the reciprocal advantage that is to be gained by Canada.

Now, take this Netherlands Treaty. My honourable friend says the Netherlands of

course have certain natural productions. We know that country's range, we know what it produces; but may it not take advantage of the other opportunities given it to invade the Canadian market? As I say, this is a futile fear. We know what Holland produces and what it has produced for hundreds of years. We know what it sends here, but we do not forget that while Holland may send here \$5,-000,000 worth of goods, the Canadian producers send \$12,000,000 worth of goods to Holland. That means something to the manufacturer; it means something to fabour; it is something that makes for our prosperity.

Now, my honourable friend fears that this most favoured nation treatment extended to other countries works detrimentally to Canada. I cannot see it. Did not my honourable friend accompany the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) in 1921, to make a provisional arrangement with France? Did they not succeed in doing so? They arranged the best terms they could; they could not get the most favoured nation treatment.

Hon. Mr. BEAUBIEN: Will my honourable friend allow me? We got everything that the Government of Mr. Fielding got and a lot besides; therefore I think the honourable gentleman should not reproach us now with not having obtained enough.

Hon. Mr. DANDURAND: Did the honourable gentleman obtain the most favoured nation treatment in the French market?

Hon. Mr. BEAUBIEN: We obtained everything that my honourable friend opposite obtained at the time he accompanied Mr. Fielding—not one iota less; and, besides, we got the French Government to wipe out the difference in treatment that existed as between the United States and Canada on the French market. Is not that enough? That was going one better than the Liberal Party by a long shot.

Hon. Mr. DANDURAND: My honourable friend forgets that he had hardly turned his back on French soil when the French Government arranged with the United States for more favourable terms with that country. If we had had most favoured nation treatment in the French market, whatever advantages might be extended to the United States on the morrow would have benefited us also.

Now, I claim that the result of our work in obtaining favours—reciprocal favours, if you will—from the many countries with which we have arranged treaty agreements, has been to the advantage of Canada. It is shown in our export trade, which has expanded in France through the work of my honourable friend, and through the Treaty which we have made it will continue to expand. Surely my honourable friends do not believe that we can go out into the world and obtain advantages in markets without giving a little of something in return which even accrues to the advantage of the consumer in Canada. In theory I am a free trader because I am a Liberal. I recognize however, that there are fiscal walls between the nations; but wherever I find that we can obtain imports that will not hurt Canadian industry to any material degree and will be to the advantage of the consumer, I believe that the loss is not a great one. I believe that without any stimulus from the outside our Canadian producers would be likely to lie down.

I do not intend to traverse the whole ground covered by the honourable gentleman from the Niagara district (Hon. Mr. Smith), but I may tell him that I feel, as he does, that advantages would accrue to Canada if we had a board of technical experts who would pass up on every item of our tariff. We have had the same hope for the last fifteen years. The preceding Administration brought in a Bill which met with some amendments in this Chamber, but it never tried seriously to establish a tariff board. I have been told that there was considerable division of opinion in the ranks of the Conservative Party, and even in the Cabinet of the time, as to the opportuneness of giving effect to the idea of a tariff board for Canada. Now, there are those in the Liberal Party-and I am one of them-who believe that such a board would be an advantage to Canada. I hope to see it established before long. But I want to inform my honourable friend that the delegations that come from all parts of the country to ask the Government for reductions in duties are not all from the farming community. I can tell him that I have seen many a delegation from the manufacturers of this country asking for reductions of duties for the advantage of their own trade.

The making of a tariff is a very complex operation. I think I have had occasion to say here that in 1904 or 1905 the Manufacturers Association of Canada started out to prepare a scientific tariff. It was to be prepared by various sections of their Association, covering iron and steel and textiles, and going through the whole list. They worked for months trying to reconcile the interests of their own sections and groups, and in the end they could not reconcile them, and recognized their utter failure. The different interests were in conflict: there was a diversity

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of opinion as between the producer of raw materials and the manufacturer of the finished product. And yet they were working academically, on paper: they were not meeting They were trying, in their the consumer. egotistical self-interest-that may be too strong an expression-to make an ideal tariff to present to the Government. Were they thinking of the consumer? I venture to say that such a thought did not for one moment enter into their minds. And yet they failed miserably in producing the ideal tariff. They had their experts working together, and sometimes, when they would agree, one of the men would write to the Minister of Finance overnight saving: "This is what took place yesterday; I agreed to that increase of duty on my goods, because I had to in order to bear a similar increase on the raw materials entering into the manufacture of my goods. Kindly take note that I differ with my group on this matter." Mr. Fielding had in his hands hundreds of letters coming from people who had in the give and take consented to an increase, and who regretted it; and the result was that they were never able to bring forth that ideal tariff which would have made for the prosperity of the manufacturers of Canada, as they believed.

Within the sound of my voice is the right honourable the junior member for Ottawa (Right Hon, Sir George E. Foster), who was at the helm for a number of years. He must be smiling when he hears me speaking of the wrangles of the manufacturers as to the share of profit they should extract from the consumer, and as to what should belong to A and what to B. It is not such an easy thing as people believe to prepare an adequate tariff. "Adequate" is a fine word on the lips of people who use it, but it is a hard nut to crack for the man who has to sign the report to Council, and bring his proposals to Parliament, and say, "This is the tariff for Canada."

Hon. Mr. TANNER: How would it do to make a short cut and go back to the Fielding tariff of 1897 and have another golden era? That tariff was described in Nova Scotia as a protective tariff.

Hon. Mr. DANDURAND: Well, Mr. Fielding had his own ideas; he had his own formulæ, he had his own policy. The greatest complaint that is being made even in this Chamber is against an increase of the preference on woollens and on boots and shoes, brought about at the instance of the Honourable Mr. Fielding as Minister of Finance. It may be judged adversely, but it is the result of his mature experience. He was the father of the preference, and he has felt that the preference should be increased for those whose markets are open wide to Canadian products. I draw the attention of my honourable frienc to the fact that Canada would be in a far better position to-day, and we would not hear any completion or recrimination or wailing, if Mr. Fielding's gift to the people of Canada in 1911 had been accepted.

Hon. Mr. TANNER: My honourable friend is perfectly aware that after Mr. Fielding had submitted this tariff in 1897 there was said to have been such bewailing that he took his tariff home for about a month, and brought it back with the protectionist policies re-introduced into it.

Hon. Mr. DANDURAND: The tariff of 1897 speaks for itself. I know there was a demand made by the manufacturers for an increase in 1906-07; but they recognized that they were working day and night, and that times were bountiful for them. They stated, when questioned by Mr. Fielding, that it was not for the present they feared, but for the future, as a wave of depression had appeared in the United States, and there was danger of an overflow of slaughtered goods on the Canadian market. And Mr. Fielding, taking them at their word that things were perfectly satisfactory for the present, instead of raising the tariff in 1907, gave them what they seemed to need, namely, the anti-dumping clause, which was for the purpose of preventing the dumping of American goods on our markets in days of depression. That was the solatium he gave them, but he never thought of raising the tariff because he had some regard for the consuming public.

Hon. Mr. McMEANS: The honourable gentleman claims that he is a free trader. I ask him why he did not put into force the tariff as laid down in the Liberal platform a few years ago.

Hon. Mr. McCORMICK: I want to say just a few words.

The Hon, the SPEAKER: The honourable gentleman has no right to speak now.

Hon. Mr. McCORMICK: Why?

The Hon. the SPEAKER: The question is on the third reading of the Bill. Rule 37 states:

In all cases, the reply of the mover of the original question closes the debate.

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

IMPORTATION OF "ROCK LOBSTER"

INQUIRY

Hon. Mr. McLEAN inquired of the Government:

1. Is the Department of Customs and Excise aware that cray fish in tin containers is being imported into Canada, and sold in Canada labelled as "Rock Lobster," thereby unfairly competing with the lobster packing business in Canada

2. Is it permissible to import such fish under the name of "Rock Lobster"?

3. Is the Department of Fisheries aware of the matters above stated, and if so what measures does the Department intend to take to protect the lobster packing business of Canada

Hon. Mr. DANDURAND: I have an answer for the honourable gentleman. Very likely it was prepared before his remarks of yesterday reached the Department. The answer is:

1. There is nothing on the files of the Department of Customs and Excise relating to this matter.

2. No.

3. Yes. The Department of Marine and Fisheries has ruled that the label on cans of such imported for sale in Canada must show the designation "Crayfish" together with the words "Spiny Lobster."

POSITION OF COLONEL A. H. BORDEN INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What position in the Militia Department or Militia Service did Colonel A. H. Borden hold during the current year?

2. What are (a) the salary and (b) allowances, respectively, of the position?

3. Is he retired, and if so, from what date does his retirement date?

4. Is he at present off on leave; and if so for what length of time; and on what rate of pay?

5. On retirement what amount of annual allowance will he be entitled to?

Hon. Mr. DANDURAND: Stand.

Hon. Mr. TANNER: May I ask my honourable friend to endeavour to obtain a reply to this inquiry? I should think that the information could be made up in ten or fifteen minutes.

Hon. Mr. DANDURAND: I have already asked my Secretary to telephone, and he has telephoned twice to the Department. I will try to get into touch with the Deputy Minister myself.

Hon. Mr. TANNER: I do not think there is any reason for delay.

Hon. Mr. DANDURAND: Some explanation for the delay was given, but my memory fails me.

HOME BANK DEPOSITORS RELIEF BILL

FIRST READING

Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada.—Hon. Mr. Dandurand.

APPOINTMENT OF SENATE OFFICIALS OPINION OF LAW OFFICERS OF THE CROWN

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, I have obtained a copy of the opinion of the law officers of the Crown, represented by the Deputy Minister of Justice, on the matter of the appointment of Black Rod. I will read it:

Department of Justice Canada

Ottawa, June 8th, 1925.

I have your letter of the 4th instant to the Minister of Justice submitting copies of an Order in Council (P.C. 877) of the 3rd instant with reference to the position of Gentleman Usher of the Black Rod. I infer from your letter that you desire to be advised generally as to the legality and effect of the Order in Council referred to, and in this connection I have had the advantage of discussing the matter fully with Mr. Creighton, the law clerk of the Senate.

In the first place, I may say that I think it unquestionable that the Gentleman Usher of the Black Rod is an officer of the Senate; that up to the year 1918 he was appointed by the Crown; that the right of the Crown to make the appointment was undoubted and was recognized by the Senate itself by resolution in the year 1867; that he is a permanent officer of the Senate and that the provisions of the Civil Service Act regarding appointment are applicable to him by virtue of the provisions of sec. 34 thereof; and that, consequently, unless the position has been excluded from the operation of the Act under the provisions of sec. 38B thereof, the appointment would rest with the Civil Service Commission. I take it, therefore, that the questions as to which advice is required are whether the position has been validly excluded from the operation of the Civil Service Act, and if so, by whom and in what manner is the appointment to be made.

Sec. 38B of the Civil Service Act is as follows:

"38B. (1) In any case where the Commission decides that it is not practicable nor in the public interest to apply this Act to any position or positions, the Commission may, with the approval of the Governor in Council, exclude such position or positions in whole or in part from the operation of the Act and make such regulations as are deemed advisable prescribing how such position or positions are to be dealt with."

It will be observed that under this provision the Civil Service Commission has power to do two things (a) exclude the position in whole or in part from the operation of the Act, and (b) make such regulations as are deemed advisable prescribing how such position is to be dealt with, the whole subject to the approval of the Governor in Council. With a view to the exercise of these powers the Commission made a recommendation to His Excellency in Council reading as follows:

"The Civil Service Commission recommends under section 38B of the Civil Service Act of 1918 as

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amended, that the following position on the staff of the Senate of Canada be wholly excluded from the operation of the Civil Service Act:

"Gentleman Usher of the Black Rod.

"In conformity with section 38B of the Act, regulations are required, prescribing how such appointment shall be made:

"The Civil Service Commission recommends:

"1. That it is not in the public interest to apply the Civil Service Act to the appointment of an Officer to the position of Gentleman Usher of the Black Rod;

"2. That the said position, so far as the impending appointment is concerned, be wholly excluded from the operation of the Civil Service Act;

"3. That the appointment thereto be, and is hereby vested in the competent authority in that behalf to be determined and nominated by the Law Officers of the Crown."

and upon this recommendation the Order in Council above referred to was passed, reading as follows:

"The Committee of the Privy Council have had before them a report, dated 2nd June, 1925, from the Right Honourable W. L. Mackenzie King, the Prime Minister, submitting a recommendation of the Civil Service Commission, under section 38B of the Civil Service Act of 1918 as amended, that the following position on the staff of the Senate of Canada be wholly excluded from the operation of the Civil Service Act, viz. Gentleman Usher of the Black Rod.

"The Civil Service Commission are of the opinion that it is not in the public interest to apply the Civil Service Act to the appointment of an officer to the position of Gentleman Usher of the Black Rod and have therefore recommended that the said position be wholly excluded from the operation of the said Act.

"The Committee concur in the foregoing and submit the same for Your Excellency's approval."

After careful consideration of the above provisions and of the representations ably presented by Mr. Creighton, the opinion of this Department is that the effect of what has been done is to wholly exclude the position in question from the operation of the Civil Service Act and to restore the power of appointment to the Governor in Council, where it formerly belonged.

Having thus stated the concluded view of the department, it may be useful to discuss the several objections advanced by Mr. Creighton and to state the departmental view regarding the same.

In the first place it was suggested that the recom-mendation of the Civil Service Commission should have been approved by a resolution of the Senate rather than by an order of the Governor in Council. Support for that view is said to be found in sec. 34 of the Civil Service Act, which provides in effect that whenever any action is authorized to be taken by the Governor in Council, such action, with respect to the officers, clerks and employees of the Senate, shall be taken by the Senate. It is recognized that there is some plausibility to this argument, but the department is unable to conclude that it is well founded. The provision in question relates only to action required in connection with appointments, transfers, promotions, salaries, increases and classification and has no reference to any action required in connection with the exclusion of any position or positions from the operation of the Act.

I may add that there are precedents for this view in the cases of the Assistant Clerk and the Sergeantat-Arms of the House of Commons.

(2) Objection is also made that the Order in Council approving of the recommendation of the Com-

Dear Sir ---

mission does not recite the whole of the recommendation but merely refers to the provision thereof excluding the position wholly from the operation of the Civil Service Act. It is not thought in the Department, however, that this circumstance affects the validity of the recommendation or the Order in Council. The view of the Department is that the Order in Council by necessary implication approves the recommendation of the Civil Service Commission as submitted, and that the recommendation in any case does nothing more than exclude the position from the operation of the Act and to restore the power of appointment to the competent authority. Paragraph 1 does nothing more than state that it is not in the public interest to apply the Civil Service Act to the position in question. Paragraph 2 is of no effect because as the main part of the recommendation excludes the position altogether from the operation of the Act, it would necessarily follow that the said position, so far as the impending appointment is

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(3) It was further suggested that the right of the Crown to make this appointment having been taken away by the Civil Service Act and vested in the Civil Service Commission, the excluding of the position from the operation of the Act in the manner above mentioned is not sufficient to restore the power of appointment to the Crown. In view, however, of what has been said above, the Department is unable to accept this view.

Yours faithfully,

W. Stuart Edwards, D. M. of J.

In effect this opinion of the Department of Justice is that from the moment that the Civil Service Commission lifts the Act, or declares that it is not to apply to the appointment of Black Rod, that appointment reverts to the authority to which it belonged when it was transferred to the Civil Service Commission. If that be so I would say, as to the other officials who have seats in this Chamber, and who were appointed when the Senate had adopted the Civil Service Act, that the Civil Service Commission, whenever it wished, could release the appointment of those officials, and that such appointments having been transferred to the Commission by the Senate itself, they would revert to this Chamber, as formerly.

Regarding the appointment of Black Rod, I may say that I had a moment's conversation with the Prime Minister before I entered the Chamber, and he informed me that he would be most pleased to discuss the person to be appointed with the leaders of the Senate. Knowing the absolute confidence we all share

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in my honourable friend the ex-leader of the Senate, I take it for granted that the Senate would be agreeable to the honourable gentleman and myself getting into touch with the Prime Minister in due course.

Hon. Sir JAMES LOUGHEED: I should like to say that, notwithstanding the presentation of this case by my honourable friend expressing the view of the Government upon it, I fail to concur.

Hon. Mr. DANDURAND: It is not the Government's view that I am expressing.

Hon. Sir JAMES LOUGHEED: I must say that I had a very strong opinion, at the time that the Government set the matter in motion —or rather, set the Civil Service Commission in motion—that it looked as if the Government desired to appropriate the appointment to itself. Furthermore, in view of the very doubtful order which was issued by the Civil Service Commission, in which they failed to exercise the duties cast upon them by the statute, chapter 12, of 1918, I rather felt that there would be no probability of the matter of the appointment being left with the Senate.

I wish to say that the statute is quite clear on the subject, that there must be coupled with the order of exclusion provision for the manner in which the appointment shall be made, and that any order issuing from the Civil Service Commission that does not mention how the appointment shall be made is in my judgment nugatory. The language of the statute is:

Exclude such position or positions, in whole or in part, from the operation of the Act, and make such regulations as are deemed advisable, prescribing how such position or positions are to be dealt with.

My honourable friend will scarcely contend that the order as issued by the Civil Service Commission can be interpreted as a compliance with this Act. The Civil Service Commission did not include in their order the manner in which the appointment should be made. That was left open—left so open as to permit of the Governor in Council making the appointment in any way whatsoever.

Hon. Mr. DANDURAND: After the law officers of the Crown had expressed their views.

Hon. Sir JAMES LOUGHEED: I am now expressing my dissent from the views of the law officers of the Crown. My statement that the law officers of the Crown would probably anticipate the wish of the Government has I think, been fully verified by the result.

Hon. Mr. DANDURAND: I said to my honourable friend the other day that I was not ready to accept that sweeping statement, that the law officers of the Crown would be influenced by the atmosphere of the building in which they live. As a matter of fact, my honourable friend may be surprised to hear that the only person who seemed to have any interest in the matter was the Law Clerk of the Senate, who at my request went to see the Deputy Minister of Justice. I do not know Mr. Edwards, except casually, through my contact with him in connection with the furtherance of Senate affairs, when Mr. Justice Newcombe happened to be away; but I have enough confidence in the Deputy Ministers and their sense of authority to believe that Mr. Edwards has not been moved by any kind of influence whatever. We are in the habit of saying between ourselves, at times, that Ministers are but shadows, and that the real power is with the Deputy Ministers. I think there is something to be said in favour of that view.

Right Hon. Sir GEORGE E. FOSTER: Is there any high court of appeal in this case?

CANADA EVIDENCE BILL

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. DANDURAND moved the third reading of Bill 27, an Act to amend the Canada Evidence Act.

He said: Honourable gentlemen, we had a discussion on this Bill which led us to postpone a final decision. You will all remember what the Bill covers. At present a witness can appear before a tribunal and ask to be protected against admissions that he may give in testimony. The law in this respect will not be changed. The witness appearing in a trial may ask to be protected against any admission that he may make in connection with an offence that he may have committed; but he will only be protected in so far as he may have participated in an offence. He will not be protected if, after obtaining the protection of the court, he commits perjury. He may not be prosecuted for having committed perjury in the testimony he gave under the protection of the court; but there is a phrase which limits the right to prosecute him for perjury because of the evidence that he gives in that very case. If, after obtaining that protection, he commits perjury, he can be prosecuted for that perjury; but it has been held by the Court of Appeal in Saskatchewan that if it appears in that testimony that he committed perjury on another occasion, his testimony wherein he is supposed to

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have stated the truth will not be set up against him to establish his perjury in another case.

The proposition now submitted to us is to allow of protection being granted him whenever he is asked to testify in a case, but he may be prosecuted for perjury upon whatever testimony he may have given either in that case or in another case.

It was alleged by the honourable gentleman from Middleton (Hon. W. B. Ross) that if we thus leave the witness open to an action for perjury in another case in which he may have sworn contrary to what he swears under protection, we are liable not to have his testimony at all. The honourable gentleman asked: "What do we obtain by giving him protection? We obtain the advantage of his testimony. He had the right, before, to keep silent-to refuse to answer for fear of incriminating himself; but the statute allows him now, under the protection of the court, to speak freely. If, by passing this amendment, we let a witness know that although he would have the protection of the court for the testimony he now gives, he will not have it for the testimony he gave on a previous day, and will be prosecuted for perjury-which he himself will have clearly admitted by swearing contrary to what he swore beforethen his lips will be closed."

That argument cannot be controverted or weakened; it stands there; there is no question that there will be that danger. But the Department of Justice, which has seriously examined the situation, has come to the conclusion that as between the fear that has been expressed by the honourable gentleman from Middleton and the danger of leaving the witness free to perjure himself, it will be best to recommend the present amendment to the Act.

Hon. Mr. McMEANS: I am sorry that the leader of the Government sees fit to press the third reading of this Bill. I am not convinced it is a good Bill, and the matter needs a great deal of consideration. As I understand the situation, it is this. According to English law no man is compelled to give evidence that will convict himself. Then the Canada evidence Act was passed, under the terms of which a witness could not claim the right to refuse to answer a question which would incriminate himself; but while that Act compels him to answer questions the answers to which may incriminate himself, it gives the court the power to say to him: "The evidence which you give on this occasion will not be used against you in any other action, either a criminal prosecution or a civil action." Now, the man is giving evidence, and under the Act he is liable, if he commits perjury, to be prosecuted. That is, if he claims protection of the court, and then gives his evidence falsely, he may be convicted of perjury. That is the Act as it stands at present. This amendment changes the whole course of that, and says: "You are given the protection of the court while you are giving evidence, but you are liable for perjury if it is not true, and your evidence can be used against you, to convict you of having committed prejury on some previous occasion." That is the effect of the amendment, as far as I can gather, and I think it has not been considered carefully enough.

Hon. Sir JAMES LOUGHEED: Is not that the law as it stands to-day?

Hon. Mr. McMEANS: No; if he gives evidence and gets the protection of the court he cannot be prosecuted; his evidence cannot be used against him in a prosecution for anything.

Hon. Sir JAMES LOUGHEED: Other than perjury.

Hon. Mr. McMEANS: When he gets the protection of the court in the words, "This evidence will not be used against you," though you can prosecute him for perjury in that case, you cannot use his evidence in a prosecution for perjury on a former occasion. If the amendment goes through, the evidence he gives can be used to convict him of perjury on some former occasion. That is a very violent change in the English law, which says a man shall not give evidence to convict himself. I would think that a man, knowing that he could be prosecuted if he committed perjury on a former occasion, would commit perjury in the subsequent event; in fact, I do not think you could get his evidence at all.

I submit that these violent changes in wellestablished laws should not be made without a great deal of consideration I had the honour of introducing into this House this year an amendment to the Canada Evidence Act which followed the English law, and gave protection to a prisoner when he was giving evidence, so that he should not be compelled to answer questions as to former convictions. I did that after consultation with the Chief Justice of one of the provinces, who had a great deal of experience in criminal law, and who thought it would be a very wise measure, and in his opinion remove a great deal of difficulty in the administration of criminal law. A Committee was appointed, and they decided at S-293

once that a copy of the Bill should be sent to all the judges and Attorneys General, to get their opinion before the Bill would be passed. I am informed that that Bill has not been sent out yet, and I think it would be wise to send this present Bill out with it, so that we might have the experience of those engaged in the administration of criminal law. While I have the greatest respect for the Deputy Minister of Justice and the Department of Justice, I sometimes feel that they have not had experience in actual trials of those cases, but go on theoretical ideas that may be good, but the working our of which cannot be determined in advance. There is no immediate hurry about this, and it would be well to have the benefit of the experience of those who are engaged in the administration of criminal law as to whether this is a wise provision or not. I indulge the hope that the leader of the Government will take that view of it, so that we may have the benefit of these opinions when the Bill is presented for third reading.

Hon. Mr. LYNCH-STAUNTON: The effect of this Bill is that if a man, in giving evidence, confesses that he committed perjury on a former occasion, he can be prosecuted.

Hon. Mr. DANDURAND: For that perjury.

Hon. Mr. LYNCH-STAUNTON: That is the plain meaning of the Bill. Now, why select perjury? If a man confesses that on a former occasion he committed murder, he will not be prosecuted. But is perjury an evil which should be placed in a different category, in the administration of criminal law, from murder or any other serious crime? To me this is a most illogical amendment. Either the confession in the witness-box ought to be usable against a witness in all serious crimes or in none. The reason for selecting perjury passes my comprehension. The decision in the Court of Appeal could not have been otherwise, because the Act expressly meant that all confessed crimes should be excluded from prosecution on such evidence.

Hon. Mr. DANDURAND: Except perjury.

Hon. Mr. LYNCH-STAUNTON: It never was intended that perjury should be excluded in the original framing of the Act, and I think the honourable leader of the Government should ask the Minister of Justice why perjury has been excepted, when we accept the principle that a man is not to be prosecuted on confession of former crimes. I think that the law as it stands is founded on common sense. We want a man to give evidence when we put him in the box, and we want to get the truth from him; so we say: "Now you will go scot free; this can never be brought against you."

Hon. Mr. DANDURAND: If you say the truth.

Hon. Mr. LYNCH-STAUNTON: "If you tell the truth it will never be brought against you;" but they say: "Look out now; if you ever committed perjury in your life, it will be brought against you, so you must lie in order to protect yourself." By putting this provision in the law we admit that even if we give protection we cannot depend on the testimony of the witness. We say if there is only a trial for perjury he is in danger, and he will give truthful evidence. Surely that is nos reasonable. It does not appeal to me.

Unless we forego the principle entirely, and say that every man shall be callable as a witness and shall be compelled to answer, and shall be exposed to all the penalties which his confessions may bring upon him, we should not pass this Bill at all; and if we pass it we should make him liable for any other crimes murder, arson, everything—as well as perjury; but I have yet to learn that perjury is a more serious crime than the others.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I have just a word or two to say in line with the suggestion made by the honourable gentleman from Winnipeg (Hon. Mr. McMeans). I have a great deal of confidence in the Deputy Solicitor General, and respect for his knowledge of the law. We may differ at times, as all lawyers do, but I doubt if this emanated from him, and I do not suppose it did. From a wide experience of the administration of criminal law, my opinion is that this will not aid in the detection of and punishment for crime, because it certainly closes the mouth of the man who is suspected of having lied before, and now it is hoped will tell the truth in the witness box under the protection of the statute. If he is liable to be prosecuted for perjury at some other stage, I think, as has been said by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), he will lie again. You are primarily concerned in getting the truth, and I venture to emphasize the very reasonable position taken by the honourable gentleman from Winnipeg that it would be desirable that this clause should stand over for another Session, and that you should get the opinions of judges whose judicial duties bring them in contact with criminal cases, and perhaps of police magistrates in large cities. Then, if

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you think the clause is all right I have nothing further to urge against it.

Hon. Mr. BEAUBIEN: I think that the law as it stands to-day would be more effective in the prosecution of justice than it would be with the amendment that is sought, and that is the reason why I support the position which the honourable member for Winnipeg (Hon. Mr. McMeans) has taken.

This is the way I understand the question. The criminal comes and stands at the bar of justice. The judge looks at him and says: "We want to open your lips; whatever crime you may have committed in the past, you may admit it and no prosecution will be launched against you." But the law goes further and says: "But now you must tell the truth." In other words, provided the criminal tells the truth when he is called upon to speak, everything else is forgiven. In other words, nothing in his testimony can be used against him.

But what are you going to do now? You are going to destroy the effect of the law as it stands. What do you say to the criminal? You say to him: "My friend, now you are up you can admit anything except perjury; if you admit that, you will be prosecuted." In other words: "What you say to-day may convict you of perjury by reason of what you have said before, and in that case you go to prison." I do not think that is a very effective way of obtaining the truth. Surely you want to open his lips for the purpose of getting the truth, but a menace is placed before the witness that will prevent him from speaking the truth, because if he speaks the truth it will send him to the penitentiary. Remembering the law, the man will say to the judge: "But, if to-day, by telling the truth, I show that yesterday I lied under oath, then I go to jail?" The judge has to say, "Yes." Then the man will say, "Well, I won't speak;" or, if he does speak, he is going to tell a lie that will save him.

It seems to me that the law as it stands to-day is very much more effective for the purpose of the prosecution of justice; he may admit murder, if you like, or perjury. At all events, there is a very grave doubt that the law will be improved by the amendment, and there seems to be no reason for haste, or why we should not reflect very carefully before adopting it.

Hon. Mr. DANDURAND: If that is the view generally held on the question by the Senate, as I have moved the third reading of the Bill, somebody might move that the Bill be not read a third time this day, but that it be postponed until we obtain information from the Bench and the Attorneys General.

Hon. Mr. McMEANS: I have very much pleasure in moving in amendment:

That this Bill be not now read a third time, but that it be referred to the Special Committee of this House to whom Bill W was referred, for the purpose of obtaming the opinions of various judges, attorneys general and other officials.

The Hon. the SPEAKER: The honourable gentleman having already spoken cannot move an amendment.

Hon. Mr. PLANTA: I will move the amendment of the honourable gentleman.

The proposed amendment was agreed to.

DIVORCE BILLS

THIRD READINGS

Bill 15, an Act for the relief of Mary Ella Mackey.—Hon. Mr. Bradbury.

Bill J5, an Act for the relief of Melvin Grant Cowie.—Hon. Mr. Bradbury.

SECOND READINGS

Bill L5, an Act for the relief of Euphemia Tudor Slade.—Hon. W. B. Ross.

Bill M5, an Act for the relief of Marion Roberts Edmiston.—Hon. W. B. Ross.

Bill N5, an Act for the relief of William Morgan Floyd.—Hon. Mr. Willoughby.

Bill O5, an Act for the relief of Harry Iven Jones.—Hon. Mr. Blain.

Bill P5, an Act for the relief of Edith Smith. -Hon. Mr. Haydon.

Bill Q5, an Act for the relief of Mary Helen Wallace.—Hon. Mr. Haydon.

Bill R5, an Act for the relief of Elizabeth Fithel McSherry.—Hon. Mr. Haydon.

Bill S5, an Act for the relief of Wilbert Newell Hurdman.—Hon. Mr. Haydon.

CONDITIONS OF DIVORCE BILL

DEBATE ON MOTION FOR SECOND READING CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Willoughby for the second reading of Bill 4, an Act respecting divorce.

Hon. G. H. BARNARD: Honourable gentlemen, it is not my intention to detain the House for any great length of time in the discussion of the subject-matter of this Bill. I may say that the foundation of the divorce jurisdiction in the Province of British Columbia, and in the three other western Provinces, which are, I think, the only Provinces affected by this Bill, is the Act known as the Divorce and Matrimonial Causes Act of England of 1857. The laws of British Columbia provided that the Province of British Columbia should take the law of England as it existed in the year 1858. The result was that the Divorce and Matrimonial Causes Act was held by the provincial court —and has since been held by the Privy Council-to be in force in the Province of British Columbia. In England it was found expedient to amend that Act at various times for the purpose of perfecting the machinery under which the courts work, with the result that there were amendments passed in 1860, 1866, 1868, 1873 and 1884. Those, being Imperial Acts, do not apply to the Province of British Columbia, and the result of that has been that the courts of that Province, in exercising this particular form of jurisdiction, have always laboured under a certain handicap owing to not having as perfect machinery as has been devised for the carrying out of the work in the courts of England.

It is not necessary to remind this House that in 1857, when that Bill was framed, woman occupied a very different position in the body politic from what she does at the present time. For instance, in those days there was no such thing as the Married Woman's Property Act. On a woman getting married, all her property became the property of her husband: she lost all control over it unless it was protected by a settlement. Today the Married Woman's Property Act protects her in that, and she is protected in many other particulars. To-day the woman has the vote, and has been placed on a political equality with man. Therefore I consider it only fair and just that in what to her, as to man, is the most important relation in life, she should be placed on a parity with man.

This question was very fully gone into by the Royal Committee on Marriage and Divorce, which was referred to by the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) yesterday, and I propose very briefly to place on record one or two of the findings of the Committee, and a short extract of some of the evidence upon which the findings were based, as well as one or two statements made in the House of Lords when the amendment of 1923 was passed in England. The arguments are put so much more concisely and in so much better language than I could hope to put them myself, that I think to read them is the shortest way of disposing of the matter. Speaking of the practice prior to the year 1857, when divorces were granted by Parliament only, and when in Parliamentary practice in England the woman was required to prove very much more than the man in obtaining a divorce, the report goes on to say:

They appear to have been largely influenced by the view that the fault on the part if the woman is worse than that on the part of the man, because her fault may introduce spurious offspring into the family, and also by the impression that a woman may more readily be expected to forgive an adulterous husband than he can be expected to do if adultery be committed by the wife.

But the position of women has entirely changed since the days when the practice of private Acts of Parliament prevailed; and views expressed and acted on in the 17th and 18th centuries are no longer entertained. If adultery be an offence, modern thought prescribed it equally in man and woman, and declines to credit the idea that a man ought in duty to be less for-giving than a woman. As to the effect on the family of adultery on the part of the man differing from that of a woman, it has to be remembered, that, if we con-sider the matter in its public aspect, and not solely with reference to the particular husband and wife, though the act in a man may not affect his own family. it may affect some other family, and that the wife, while she cannot obtain a divorce, has power to leave her husband, and obtain a judicial separation from him. If a woman is to be expected to forgive her husband, and is not allowed to obtain a divorce from him because she ought to forgive him, an extraordinary position results. The situation is treated as meriting legal relief, and a power is left to her, at her discretion, to punish him by inflicting upon him enforced celibacy, with the result that she has to elect between her own lifelong disuse of her natural functions and the condonation of the offence of her husband, which may have amounted to continuous sexual intercourse with another woman.

There is another curious inconsistency in the present state of the law.

That is, the law under the Act of 1857.

Rape is an offence for which a woman may obtain a divorce. The offence against the State is greater than in the case of mere adultery; but the offence against the wife is the same in both cases.

That is to say, if a man commits adultery under circumstances amounting to rape, his wife can obtain a divorce, but if those circumstances are not existent she cannot obtain a divorce, although in both cases the offence, so far as she personally is concerned, is precisely the same.

The finding of the Committee is to be found in paragraphs 210 and 211 of the report:

In principle there can be no adequate reason why two persons, who enter into matrimonial relationship, should have a different standard of morality applied to them, and, what is perhaps more remarkable about the difference in question is that it is not recognized as applicable to the right to judicial separation, for either man or woman may obtain a decree of this nature for a single act of adultery. Those who maintain that judicial separation is a greater punishment than divorce are probably right, for the former may inflict lifelong celibacy and with no right of re-marriage, and the latter does not. Thus the punishment, which may be inflicted on a man for a single act of adultery, may be greater than that which may be inflicted in the case of the greater offence of continuous adultery with cruelty or desertion, though the wife might even in the latter case choose to take a decree of separation and not of divorce.

Apart from abstract justice the strongest reason for placing the sexes on an equality is that, where two standards exist, there is a tendency to accept the lower for both parties. The social and economic

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position of women has greatly changed in the last hundred, and even in the last fifty years. The Married Woman's Property Act, 1882, has given them a new status in regard to property; they engage freely in business and in the professions, and in municipal, educational and Poor Law administration, and claim equality of treatment with men. In our opinion it is impossible to maintain a different standard of morality in the marriage relation, without creating the impression that justice is denied to women, an impression that must tend to lower the respect in which the marriage law is held by women.

The recommendation, section 219, is:

Our conclusion is that no satisfactory solution of the problem, which is raised as to the personal relations between husband and wife, can be found, except by placing them on an equal footing, and by declaring that, whatever grounds are permitted to a husband for obtaining a divorce from his wife, the same grounds shall be available for a wife in a suit against her husband. It may be safely left to a woman to consider whether she will exercise her rights, and it may reasonably be expected that, as has been proved by actual experience in Scotland, physical, social, pecuniary and other considerations will have their natural effect, and lead to such rights not being exercised, at any rate in the great majority of cases, without such good and sufficient reason as will meet with the approval of relations and friends of the wife.

They specifically state in section 218:

We do not overlook the arguments founded on physiological considerations, and the different consequences of immorality in one case and in the other, but it seems to us that those arguments are outweighed by the other considerations presented in this report.

It is a very significant fact that there was, a minority report, signed by three members of the Committee: the Archbishop of York, Sir William Anson, and Lewis T. Dibdin. The report itself recommended other grounds for divorce. The minority report dissented from it, but concurred in the recommendation that the two sexes should be placed upon a parity. That is to be found at page 191 of the Minority Report:

We concur in the recommendation of the Majority Report that whatever grounds are permitted to a husband for obtaining a divorce from his wife, the same grounds should be available for a wife in a suit against her husband.

The supporters of this Bill are only asking that the women of the four Western Provinces should be treated upon the same basis as any woman who comes to the Parliament of Canada. The practice in this Parliament has been, ever since I have known anything of divorce Bills-and I suppose it has always been-that the two sexes are treated exactly alike. The supporters of this Bill say that there is no reason why, because those courts happen to have a limited jurisdiction, given to them fifty or sixty years ago, you should place them at a disadvantage or in an inferior position-for that is really what it amounts to-as compared with women in the other provinces of Canada.

The division lists in both the Lords and the Commons were significant. In the English House of Commons this amendment was carried by a vote of 257 to 26. In the House of Lords the division was: 95 contents against 8 non-contents. Among those voting for the Bill in the House of Lords were the Archbishop of Canterbury, the Bishop of London, the Bishop of Southwark, and two Ex-Lord Chancellors, Lord Buckmaster and Lord Birkenhead. I want to quote what was said by the Archbishop of Canterbury, speaking on this Bill:

But we feel-at least I feel-that when we are brought face to face with the particular issue which is raised by this Bill we have no alternative at all. Large as is the obligation which the Marriage Law entails, there is in one sense a larger obligation, if there can be a larger obligation still, and that is the obligation to respect the law of God as being uniform for men and women as regards morality. If we once admit that the law of God, as interpreted by the best interpreters of it to human understanding through the centuries, has laid it down that there is no vital distinction in the obligation of morality between the man and the woman, we must, so far as I can see, support this Bill which removes an existing difference which the law as it stands does make between the two. It is on those grounds that I feel that I cannot possibly do otherwise than give my support to a measure limited, as it is, to that particular point.

Hon. Mr. SCHAFFNER: That is on the Act of 1923?

Hon. Mr. BARNARD: That is on the Act of 1923, which is this Act as affecting the Western Provinces.

Hon. Mr. LYNCH-STAUNTON: Well, is it this Act?

Hon. Mr. BARNARD: It is this Act.

Hon. Mr. LYNCH-STAUNTON: Why is it not drawn in the same phraseology? It is quite different.

Hon. Mr. BARNARD: The effect is exactly the same. Here is the language of Lord Birkenhead:

That issue is this: If a husband has been unfaithful to his wife, should she or should she not be afforded the same remedy which the husband is afforded who complains of infidelity on the part of his wife? I have never seen an answer to this question. I have never seen how anybody who believes, not necessarily in political equality between the two sexes, but in fair dealing by the Legislature between the two sexes, could find an effective answer to those who argue on behalf of this reform.

I want to cite just one more quotation, an authority which I think will appeal particularly to my Liberal friends, as it is the authority of the Right Hon. Mr. Gladstone. He was speaking of the Bill of 1857, when an amendment similar to the present was sought to be introduced to that measure:

In Committee, in the House of Commons, Mr. Drummond moved an amendment having for its object the establishment of the equality of the sexes, but the Attorney-General objected, on the ground that the Bill was to amend procedure, and the law was settled.

It should be noted that the objection raised by the Attorney-General, who was, I presume, in charge of the Bill, was not to the merits, but on the ground that the Bill was merely one to amend procedure, and that the law itself was settled and they were merely giving effect to that law.

Mr. Gladstone held that the law was not fixed. He looked on the importation of divorce a vinculo as an evil, but if it were to be introduced, he expressed himself in favour of equality:

"I believe that the evil of introducing this principle of inequality between men and women is far greater than the evil which would arise from additional cases of divorce a vinculo; and I take my stand, in the first place, on this, that, if it be assumed that the indisolubility of marriage has been the result of the operation of the Christian religion on earth, still more emphatically I believe it may be assumed that the principle of the equality of the sexes has been the consequence of that religion. You have in the very earliest times some traces of what approaches to it; but it is the special and peculiar doctrines of the Gospel respecting the personal relation in which every Christian, whether man or woman, is placed to the person of our Lord that form the firm, the broad, the indestructible basis of the equality of the sexes under the Christian law."

In conclusion, all I have to say is that if we who are in favour of this err, at least we err in good company. I submit that this is a Bill which in equity and in right should receive the support of this House, and I intend to vote for it.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman be kind enough to answer me a question? The law of divorce is one with which I am not familiar, but I notice that the English Act is as follows:

It shall be lawful for any wife to present a petition to the court praying that her marriage may be dissolved on the ground that her husband has, since the celebration thereof and since the passing of this Act, been guilty of adultery: Provided that nothing contained herein shall affect or take away any right of any wife existing immediately before the passing of this Act.

I understand that the law in British Columbia or in other provinces is identical with what was the law of England before the passing of that Act which I have read.

Hon. Mr. BARNARD: That amendment, yes.

Hon. Mr. LYNCH-STAUNTON: Then why did we not copy the English Act in this Bill? It seems to go far beyond the English law.

Hon. Mr. BARNARD: I can only say to my honourable friend that I have never even

spoken to the mover of this Bill in the House of Commons, the honourable member for Calgary. I do not know why he drew it in the way he has done. I read the Bill and was convinced in my own mind that it was satisfactory.

Hon. N. A. BELCOURT: Honourable gentlemen, may I say at once that in the observations which I am going to submit I shall not obtrude any personal, religious or conscientious principles, beliefs, convictions, or scruples, or whatever you may call them. I intend to deal with the question exclusively from the point of view of law, the natural law and the requirements of social order.

In the discussions that have taken place in Parliament, in the public press and elsewhere on the question of divorce, we have almost entirely lost sight of the fundamentals. of the essential considerations which ought to apply to marriage and divorce. We have, I am afraid, been content to devote our efforts and considerations to the people who have contracted unfortunate unions. In our desire to come to the rescue of those who have made a bargain which has turned out badly for themselves, we have, almost constantly and almost universally, overlooked those higher interests of society, of the family and of the offspring of marriage.

It may be that in this country the reason is to be found in the fact that, so far as Parliament, at all events, is concerned, there has never been any real discussion of the merits or demerits of divorce. No Bill or proposal dealing with the question of divorce generally has ever been submitted to us. It is true that we have to deal with Bills of Divorce, and such Bills are granted every year, but the divorces recommended by our Divorce Committee are exceptional cases; they are exceptions to the general law. We have had no general provision for divorce. We have dealt with the matter merely and exclusively with reference to the particular cases that have come before us. Now, if I may be permitted. I would like to endeavour to state these fundamentals in regard to natural law and social order.

It is a mistaken idea that power to legislate can be exercised without due observance of the obligations and sanctions of natural law, and the imperious necessities of social order. On the contrary, the power to legislate is and always must be subordinated to and in conformity with the laws of nature. For the good of society, the observance of natural law is a fundamental necessity in order to insure the preservation and progress of the social order. The duties and obligations of parents have their sources in natural law, and the

performance of these is necessary not only for the good of the family, upon which society rests, of which it is the fundamental basis, but for society itself. The duty of parenthood to its offspring permeates the whole of creation, from man down to the lowest order, and truth compels one to admit that the whole of the animal creation, outside of man, seldom fails to accomplish its dictates.

The interest of the State in the offspring, its citizens, is of the highest importance because the stability and progress of the human race and of civilization are in direct proportion to the development, and the physical and mental acquisitions of its subjects. It is the duty of the State, because it is in the interest of good Government, peace and order and sound policy, to encourage and promote the establishment and stability of marriage, and at the same time, and by the same reasoning, to oppose in every conceivable way the breaking up or destruction of the family.

Divorce is the greatest destroyer of the family. When the family is broken up, society suffers because the children are very insufficiently provided for, when they are not absolutely ignored. Because the State has an immediate and direct interest in the bringing up of its citizens, it has a manifest duty in assuring the performance of the contract entered into between the parties, and ought, because of this interest, to insist upon the complete execution of the duties so assumed. The State, as is well recognized the world over, has a clear duty to encourage, foster and promote marriage; and, as a corollary of this duty, a further duty of maintaining, preserving and protecting marriage, and especially to prevent the breaking up of the family by divorce.

Marriage, whether considered as a sacrament or merely as a civil contract, whether viewed one way or another, whether we consider it merely as a legal or civil marriage, is in every case a contract, like any other contract, having the full force and binding effect contracts sanctioned by law. of It is contract by a which the contracting parties assume certain responsibilities, all the obligations which result from the contract, whether stipulated in so many words in the contract or whether arising out of natural law. It is a contract, not for a day, but forever, until death; a contract not to last only so long as it may please one or other of the united parties; a contract not determinable at will by either or even both of the parties; a contract for better or for worse; a contract from which arise and are created vested rights, first on the part of

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each of the contracting parties as against one another, then on behalf of the children who are to be born from the union, and finally on behalf of society, or the community of which the contracting parties form part, and under whose protection this contract is to be guarded and performed. It is a contract which none of the parties should be allowed to break in any way because of these vested rights so acquired by children, on the one hand, and by organized society on the other.

It is a new theory altogether, which has never been applied to any other kind of contract, that through divorce the marriage contract can be broken, even for those who have acquired under it vested rights; a theory by which the vested rights of children and society, though neither has in any way committed any breach, can be wiped out because one of the parties to it has tired of keeping it, because of the whim or desire of one of the contracting parties. A marriage contract, whether viewed as both a sacrament and a civil contract, or merely as a simple civil contract, is to all intents and purposes, a contract not only authorized, but encouraged by law, by good policy and common sense, and, finally, in conformity with natural law. Like all other contracts it creates vested rights. What other kind of contract, under which vested rights have been acquired is allowed to be broken at the will or whim of one of the parties thereto?

The only ground urged by those who claim that this solemn contract may be broken is that it has become difficult of execution; that the contracting parties have made their lives more or less miserable through the contract; that the contract has become a burden, etc. Is there any other kind of contract which the law permits to be broken because it has become irksome or difficult of performance by one or the other of the contracting parties? Why allow the most sacred and solemn of all contracts, and the most binding, even from the point of view of law and because of its consequence to society, to be more easily destroyed and defeated than a contract involving a mere matter of trade or commerce, or even a mere chattel? Yet it is unfortunately true. and almost universally so, that the sacred character of marriage, its indissolubility, the necessity of maintaining it intact and preserving it from the many dangers with which it is confronted, has become, in the estimation of so many, an old-fashion idea. This sentiment has become so wide spread and so general that, with the present generation, marriage is nothing but a mere lark, and pretty nearly every atom of its spiritual meaning and character has disappeared. Divorce is inspired and prompted almost always by a desire for change, for the purpose of securing another companion.

The state has rushed in and multiplied the opportunities and facilities for indulging such whim or desire for change. It has been stated by competent authority that, counting certain duplications, there are now 363 different causes for obtaining divorce recognized by the Courts in the United States and many other countries.

How can organized society or community endure if this is allowed to go on; if the very foundation of society, the family, is undermined, broken up, and destroyed under such pretexts? The present state of affairs in several of the great countries of the world amounts to nothing but camouflaged polygamy and polyandry."

The state is a party to the marriage contract. It has encouraged it. It has undertaken and promised to protect it, and especially society, and the children to be born. What disposition or principle of natural law authorizes the State to break up this contract at the request of one or other of the parties thereto, and thus wipe out the vested rights acquired by the children and by society? The paramount duty of both parent and State is to produce the best of citizens for the sake of the state or society, as well as for the sake of the family.

It is claimed that the question of divorce was settled by the Act of Confederation. That contention I presume, is based upon the provision of Section 92 of the B.N.A. Act, which assigns to the Dominion the exclusive legislative power as to "marriage and divorce." It is apparent that this has settled nothing as to the nature of any divorce which might be enacted. It did not, and does not, imply the necessity or show propriety of any special divorce law being put forth. It certainly does not imply that the Dominion Legislature shall grant divorce, nor that it may not prohibit divorce absolutely and in all cases. Tt. is perfectly consistent with that power of the Dominion Parliament to refuse to grant divorce for any cause, or under any circumstances. Parliament might just as well have decreed that there would be no divorce, and, as a matter of fact, that is the position in which Parliament really stands, since Parliament has never passed a general divorce law. Divorces granted in Canada by Parliament, and by the Courts which have jurisdiction, have not that safeguard or precaution which is offered in all other countries, and especially in the United States of America, where divorces can be had merely for the asking. In all States of the American Union a decree absolute for divorce cannot be secured except after a delay varying from 6 months to 3 years. In other words, for six months and up to three years, in certain cases, the parties who have asked for a divorce, and in favour of whom a decree has been granted, cannot remarry. But here in Canada either party may come to this Parliament and get a divorce, and re-marry the very next day after the divorce is granted and be properly within the law.

Hon. Mr. McMEANS: I always understood that a decree nisi was granted, and a delay made, so that if there was any collusion between the parties it could be shown.

Hon. Mr. BELCOURT: No, not merely that, but it is in order to give them an opportunity for repenting.

Hon. Mr. McMEANS: No.

Hon. Mr. BELCOURT: I say that is one of the reasons why the decree nisi is not to be executed until after a delay of from six months to three years.

Hon. W. B. ROSS: It is six months in England. There is a decree made, and it becomes absolute in six months unless it can be shown that there has been collusion.

Hon. Mr. BELCOURT: I beg pardon: if it can be shown that the parties have not got together it is made absolute.

Hon. Mr. BARNARD: I think the decree nisi was made in order to give the King's Proctor six months' time after the case came up in which there could be intervention, and if he intervened and proved misconduct on the part of either of the parties, the decree would never be made absolute.

Hon. Mr. BELCOURT: I think everyone will agree with me that if, in the time fixed by the law, the parties represented got together there would be no decree absolute, in the United States or anywhere else.

Hon. Mr. McMEANS: How could that be—that they would remarry?

Hon. Mr. BELCOURT: They cannot remarry within that time. What I want to point out is that in a country where divorce is even more easily obtained than here, there is a provision and precaution, and something which we have not got the benefit of, that is, that there must be a delay between the time of the decree nisi is pronounced and the time when the married people could remarry, whereas here in Canada we grant divorce to-day, and the parties can go and get married the very next day.

Hom. Mr. BELCOURT.

Hon. Mr. McMEANS: Not in the Western Provinces.

Hon. Mr. WILLOUGHBY: That would not apply under this Bill, which only deals with provinces in which the wife has not equality at present. That is all that this Bill covers. They all have the order nisi about which you speak.

Hon. Mr. BELCOURT: I am trying to show that so far as Canada is concerned the practice which we adopted in dealing with divorce leaves us no better off than the worst country where divorce has full sway.

Hon. Sir JAMES LOUGHEED: Or the best of them.

Hon. Mr. BELCOURT: Well, the best, if that suits my honourable friend, or easiest, if you like. I say that a party to a divorce in Canada can get married the day after getting the divorce. I do not think there is any other country in the world where that is the case. We claim that we are in a better position—at least, that we have protected marriage to a great extent because we have limited the possibility of divorce, to two causes—adultery and cruelty. Now, cruelty is a thing almost impossible to define. I doubt if there are half-a-dozen men who would agree upon a classification or gradation of cruelty.

Hon. Sir JAMES LOUGHEED: The courts have.

Hon. Mr. BELCOURT: By granting divorce for cruelty I think you have admitted that divorce can be granted for any one of the 363 causes to which I have referred. According to the old proverb, "Cruelty covers a multitude of sins"—and probably it is more true of divorce than of anything else.

Let me point out that in Ireland there is very much less divorce than there is any other country in the world—something like one case in five years—because divorced persons are not allowed to remarry. The same may be said of the Province of Quebec. You never hear of divorce among the Catholic people of the Province of Quebec; yet they have a way of getting over the difficulty by separation alone.

That brings me to a serious reason for my strong opposition to this Bill. This Bill will unquestionably increase very considerably the number of divorces in Canada, this Bill, if passed, will sanction the detestable doctrine, the fatal doctrine, that the most sacred, the most solemn, the most important of all contracts, involving the most important and the most sacred of vested rights, can be wholly and finally wiped out in order to satisfy the mere wish or whim or passion of one whose contract for better or for worse has failed to turn out for the better. Shall we apply that doctrine to all contracts, public or private? If we are to preserve consistency, and to be logical, we must; but if we do, how long will the family, and social order, and civilization endure?

EEIFSST

Country	No.	of Years
Bavaria		1895-1899
Belgium		
Denmark		1891-1895
Prussia		1895-1899
Saxony		
Switzerland		1876-1885
Wurtemberg		1894-1898

This goes to show, as far as suicide is concerned, the awful consequences upon society which divorce has brought about.

We must not look only at the sufferings or the difficulties that have come to those who have contracted an unfortunate marriage: we must not allow our compassion and sympathy to carry us away. There are real consequences, very serious consequences, which divorce entails upon society. I ask honourable gentlemen in all seriousness whether, if the divorces in the United States-which are now 10 per cent of the marriages-continue to increase, is it possible for that nation to survive? Is it possible to think that the social order of that country is going to be maintained, and that civilization is going to survive? I submit that if divorce is not limited the outlook for society is very poor wherever divorces have grown to such an extent. Although we have granted many less divorces per thousand of our population than have been granted in the United States, we have laid a foundation for a similar state of things; and, instead of endeavouring to find reason for increasing the number, I think it is the manifest duty of Parliament to endeavour to put a stop to this fatal practice.

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

PUBLIC SERVICE LOAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 170, an Act to authorize the raising, by way of Loan, of certain sums of money for the Public Service.

He said: Honourable gentlemen, in virtue of this Bill the Minister of Finance will be authorized to borrow the sum of \$164,000,000, In conclusion, I want to cite some statistics which go to show that criminalty has increased in proportion to the number of divorces granted. I have here a table prepared by Augusto Bosco, a noted Italian statistician. It shows the number of suicides per 100,000 inhabitants, dividing them between celibates, married, widowed, and divorced persons. It is as follows:

Suicides in 100,000, inhabitants				
Celibates	Married	Widowed	Divorced	
28.1	25.7	51.3	64.1	
17.4	18.2	32.2	135.6	
30.0	36.6	77.2	259.2	
26.5	28.8	51.8	103.2	
39.5	39.1	80.6	131.9	
29.0	30.1	53.8	157.2	
23.9	24.1	37.7	82.0	

which represents the debt maturing during the present fiscal year. This will leave intact the borrowing power still remaining under the Loan Act of 1924, namely, \$101,000,000.

Hon. Sir JAMES LOUGHEED: Have you arranged for this loan yet?

Hon. Mr. DANDURAND: I cannot say. I have nowhere seen any official statement to that effect.

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 12, 1925.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Deputy of 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 at 5.45 o'clock for the purpose of giving the Royal Assent to certain Bills.

MESSAGE TO THE HOUSE OF COMMONS

Hon. Mr. DANDURAND moved:

That, in view of the vacancy in the office of Black Rod, a messenger be sent to the House of Commons to acquaint that House that it is the Deputy Governor's desire that they attend him immediately in the Senate Chamber, and that the said message be communicated to the House of Commons by one of the Clerks at the Table.

He said: I take it for granted that when the Right Honourable the Deputy Governor enters, one of the Clerks at the Table will leave with this message.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill X3, an Act for the relief of Ella May Stacey.—Hon. W. B. Ross.

Bill Y5, an Act for the relief of Jessie Harriett MacKey.—Hon. Mr. Blain.

Bill Z5, an Act for the relief of Edna Fox. --Hon. Mr. Schaffner.

Bill A6, an Act for the relief of James Jackson.—Hon. Mr. Haydon.

THIRD READINGS

Bill L5, an Act for the relief of Euphemia Tudor Slade.—Hon. W. B. Ross.

Bill M5, an Act for the relief of Marion Roberts Edmiston.—Hon. W. B. Ross.

Bill N5, an Act for the relief of William Morgan Floyd.—Hon. Mr. Willoughby.

Bill O5, an Act for the relief of Harry Iven Jones.—Hon. Mr. Blain.

Bill P5, an Act for the relief of Edith Smith. -Hon. Mr. Haydon.

Bill Q5, an Act for the relief of Mary Helen Wallace.—Hon. Mr. Haydon.

Bill R5, an Act for the relief of Elizabeth Ethel McSherry.—Hon. Mr. Haydon.

Bill S5, an Act for the relief of Wilbert Newell Hurdman.—Hon. Mr. Haydon.

SECOND READINGS

Bill T5, an Act for the relief of Maude Crawford Ross.—Hon. Mr. Haydon.

Bill U5, an Act for the relief of Bertha Matilda Quinn.—Hon. Mr. Haydon.

Bill V5, an Act for the relief of William Garfield Reed.—Hon. Mr. Black.

PRIVATE BILLS SECOND READINGS

Bill W5, an Act respecting a Patent owned by the John E. Russell Company.—Hon. Mr. Belcourt.

Bill 20, an Act respecting a Patent owned by the Concrete Surfacing Machinery Company.—Hon. Mr. Belcourt.

Hon. Mr. DANDURAND.

CUSTOMS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 145, an Act to amend the Customs Act.

He said: Honourable gentlemen, the smuggling of goods into Canada has been increasing until it has reached very large proportions and is operating to the detriment of legitimate trade. For this reason there is an insistent public demand at the present time that strenuous efforts be made to suppress this practice, and it is felt that to do so it is necessary to impose heavier penalties for offences and to add new penalties to those at present provided by The Customs Act.

The two main sections of the Act dealing with smuggling and transactions in smuggled goods are 206 and 219, and it is these Sections with which the present Bill deals.

Under section 206 as it stands at present, the penalty for smuggling is forfeiture of the goods if found, or if not found, forfeiture of a sum in addition equal to the value of the goods, to be recovered by suit. A further penalty is provided on summary conviction before Justices of the Peace not exceeding \$200 and not less than \$50, or imprisonment for a term not exceeding one year and not less than one month, or both fine and imprisonment.

In the proposal Bill these penalties are increased. Where the goods smuggled are under \$200 the penalties remain as at present, except that the penalties are stated to be without power of remission. When the goods are over the value of \$200 the offence is made indictable, bearing a term of imprisonment from one to seven years for the first offence and from three to ten years for the second and subsequent offences, in addition to the forfeiture of the goods or a sum equal to the value thereof.

Section 219 dea's with the keeping or selling of goods unlawfully imported. The proposed Bill makes this an indictable offence where goods so held are over the value of \$200, bearing penalties of imprisonment for the same terms as under Section 206. The penalty of forfeiture of the goods or value thereof is also made without power of remission.

It is felt that at the present time many persons who are not themselves guilty of smuggling do deal in goods which they know to be smuggled, and that the imposing of a more severe penalty for these offences will have a salutary effect.

Under the Customs Act, section 177, the Minister in his decision respecting a seizure

is empowered to fix terms upon which the thing seized or detained may be released, or the penalty or forfeiture remitted. This power of remission has led to the bringing of pressure upon the Minister from various quarters to influence lenient treatment. When it is known that the Minister no longer has that power the penalties imposed will act as an added deterrent. There is a further power of remission by the Governor in Council. provided by section 92 of the Audit Act. The proposed amendment will prevent remission by Council of penalties for the offences described. This it is felt will have a further deterring effect and will be notice to all persons engaged in smuggling or harbouring smuggled goods that the penalties laid down in this new section will be rigidly enforced.

I believe that all the legitimate trade of this country will welcome these amendments. Numerous delegations of men who have invested their capital and are conducting an honourable business in this country have come to the Government to complain of the illegal and cruel competition that they were meeting in the Canadian market through smuggling. At the same time, this of course entails a loss to the Treasury. I think the moment is opportune to strike hard at the transgressor. The coming of the motor car has created a strong temptation to carry valuable goods across the border, and I hope that this legislation will be carried unanimously in this Chamber.

Hon. J. D. REID: Having been Minister of Customs for a number of years, I take perhaps a little more interest in this Bill than many other members of this honourable body. I am in favour of very severe punishment for smuggling, and I do not wish any remarks that I may make to be interpreted as a desire on my part that smuggling should be increased. The law as we have it is very severe. Any person caught smuggling has his goods confiscated, and the vessel or vehicle in which the goods are carried seized. That is a pretty severe punishment; but, in addition to that, as has been stated by the honourable leader of the Government, he is liable on summary conviction before two justices of the peace to a penalty not exceeding \$200 and not less than \$50 or to imprisonment for a term not exceeding one year and not less than one month, or to both fine and imprisonment.

I have no objection whatever to increasing the penalty along these lines; I have no objection to making the term of imprisonment as long as the Government wishes to make it; and, while I may say at the outset that some of the amendments I have no objection to, I do object to the proposed amendment contained in subsection 3 of section 1 of this Bill:

Everyone who smuggles or clandestinely introduces into Canada any goods subject to duty of the value of \$200 or over is guilty of an indictable offence and liable in addition to any other penalty to which he is subject for any such offence to imprisonment for a term not exceeding seven years and not less than one year for a first offence, and to imprisonment for a term not exceeding ten years and not less than three years for a second and each subsequent offence, and such goods, if found, shall be seized and forfeited without power of remission, or if not found but the value thereof has been ascertained the person so offending shall forfeit without power of remission the value thereof as ascertained.

Now, here is the important part of it:

4. Notwithstanding the provisions of section 1028 of the Criminal Code, or of any other statute or law, the court shall upon any proceeding by indictment under subsection 3 hereof—

-have no power to impose less than the minimum penalties therein prescribed, and shall in all cases of conviction impose both fine and imprisonment.

Thus an individual who happend to have goods of the value of cver \$200 is placed in the position of a criminal.

Up to the present time I do not think the public has looked upon this offence in that way. What strikes me as unfair is that an accused person has no right of appeal. Under the Customs law even after trial and conviction, there is an appeal to the Supreme Court of Canada. I claim that it is only British justice to allow such a person to go before a court of appeal. I have made inquiries from those who will administer this law and I know they are not in favour of it; but the agent of the protective association must earn his money and he has been working up this case and sending letters to every member of Parliament and as many Senators as he could reach, in the hope of making a lct of criminals out of people who would not knowingly do an unjust thing.

I know of men who have large businesses, and who have a clerk to make out the customs entries. Sometimes such clerk will make false entries and perhaps take part of the money that should be paid for duty. I understand that in such a case, if the offence were discovered the Customs officials would hold the employer responsible, and he would be liable to go to the penitentiary. Under this law he could not avoid that punishment in case of his clerk making a false entry.

If there happened to be in the Custom House an enemy of an individual and a complaint were laid, the person responsible for a false entry must go to jail and his family and himself would be disgraced, though he never intended any wrong action.

⁻That is the clause I have just read-

Then there are cases of individuals coming into this country not knowing that there is a duty on what they bring in. People who go South during the winter may buy \$300 or \$400 worth of clothing, and may believe that, having worn that clothing for a short time, they can bring it in without paying duty; but under this law an officer would seize the goods and send those people to penitentiary.

When I was minister of Customs one of the most prominent citizens of Montreal would have been sent to penitentiary under this Act. He bought an automobile from the Hudson people in Montreal and asked to test the motor by taking a trip with his family through the United States. He paid the price of the automobile deducting the amount of duty, which he agreed to pay when coming in again through Rouse's point, or near there. The Hudson people deducted the amount of duty that they would have had to pay; but as they bring in motor cars at manufacturers' prices the purchaser was asked to pay the duty on the price in the United States. He objected and the result was that the automobile was seized. The Customs officer was delighted to get hold of the party; I think he had some grievance against him. When the matter came before me it was explained that there was no intention of doing any wrong, and, as the purchaser of the automobile did not hesitate to pay the balance of the duty, there was no further trouble about it; but under this clause that party would be punished for making a false entry and he would have no right of appeal. Therefore this clause, if enacted, would make criminals out of individuals who never intended to commit a wrong for the judge who tries a case must convict, the clause being so worded that there is no alternative.

I suggest that this is such an important Bill that it should be laid over until Monday, so that honourable gentlemen could think it over and consider whether it is fair to the citizens of this country. A former Minister of Customs opposed this clause in the other House, not thinking it was workable or just, and my candid opinion is that the present Minister, if he were in his place, would not bring in such a Bill as this. I am not reflecting on the Acting Minister, and who introduced this measure after it had been prepared by his officials.

I do not object to making the laws as strong as possible, or inflicting fines as large as the Government may think fit; but this clause changes the present Act so that the Hon. Mr. REID.

Minister has not power to be lenient even when circumstances permit. When I was Minister, if a man came before me whom I knew to be innocent of any intention to defraud the Government, I would say: "Pay the balance of the duty, and everything will be satisfactory." I never had any trouble im matters of this kind. I do not think it is fair not to allow leniency in cases that are clearly not criminal; nor is it right to reflect on the Minister or the Department officials by saying that influences can be put on them so that one individual will be let off more easily than another.

I do not wish to agitate for any law that will allow an increase in smuggling I believe that if there is smuggling of automobiles, or goods of any kind, the parties should be prosecuted, but let us have British justice, and let the parties be brought before a court and have the case tried fairly and honestly. and let us give the parties the right to appeal to the Supreme Court if desired. Do not class such persons as criminal when it is shown that they never intended to do 2 criminal act. I defy the leader of the Government to produce a statement from any country in the world that has a clause like this in its Customs legislation. The United States would not put such a clause into their Customs Act.

I appeal again to the honourable leader to let this Bill stand over so that honourable members may have a chance to read and consider it carefully, and then, if the House wishes to pass the Bill, I have no objection, as far as I am concerned.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, in my opinion this legislation is unparalleled. What are we dealing with? The evasion of payment of Customs duties; and it is now proposed to place the punishment for such evasions higher than that for any crime under the laws of this country. If it is such a heinous crime to evade the customs duties, why is it not as heinous to evade the income tax? Why is it considered that a person who evades this law should be subject to penitentiary for three years, and that under no condition should a judge have power to suspend the sentence?

It is one of the well-recognized practices that have obtained throughout the history of the administration of British criminal law that a tribunal should be allowed to consider the surrounding circumstances, and whether or not, even in the most serious offences, there was not some extenuating circumstances which entitled the accused to the consideration of the court. But here we propose to deprive

the judges, against most of whom no reproach can be brought, of that wise and proper discretion which has been entrusted to them. We think that the law would be better administered if it were made inexorable. We know that what occasioned miscarriages of justice in the olden time was the horrible rigor of the law. If you went before a jury with a case of this kind, and competent counsel were engaged, who pointed out to the jury that the judge on the bench had no authority to temper justice with mercy, had no right to do anything but consign to the penitentairy a man whom they knew in their hearts had no intention of doing wrong, do you suppose the jury would not be tempted to disregard their duty? The law is properly administered because juries know, and counsel can point out, that the Crown will exercise the prerogative of mercy in a proper case, that the judge will exercise his discretion in such a case, where, although a man may be technically guilty, he is not morally culpable. But all that is to be swept away, not in the interest of the state, but in the interest of the trader.

I say that this is introducing into our law a bad policy, something which will defeat the proper administration of justice, and perhaps inflict very severe hardships. I am told that the law is this-that a man who comes into the country and passes through the customs gate, who is not asked any questions, and who is not aware of what the law is-because although we are presumed to know the law many of us do not know it, and very few of us know anything about the Customs statute -is allowed to pass through the gate but when he has got through the Customs officer runs after him and finds that he has a dutiable article in his possession. Although he had not been asked any question about it, and did not realize that there was any duty upon it, yet he discovers that he is liable to all the penalties.

You must remember that this Bill applies not only to the man who slips through under cover of darkness, or where there is no Customs officer, or to the man who tells a lie to the Customs officer, saying, "I have no dutiable article." It applies also to people to whom the Customs officer, after looking through their baggage, may say, "You are all right," and whose goods he may then seize because they have not made a declaration of what is dutiable. Any honourable member in this Chamber would be amazed at the conditions under which a man may be considered guilty. There are so many intricacies in such cases that I think it would be a horrible injustice to take away the right of the Crown or the right of the Court to suspend sentence.

You must remember also that Customs officers share in the penalty. An informer, as I understand the Customs Act, gets half the penalty. They may deliberately allow a man to go through and may seize him after he has passed. When there is no power to remit, although it may be established to the satisfaction of the Collector of Customs that the officer deliberately let the man through, the Crown has no alternative, but is bound to impose the penalty.

What is the reason for this amendment? Do we find that justice is so scandalously administered in this country that the Crown remits penalties and exercises the prerogative of mercy unjustly, improperly and against public policy? I never heard of it in my life. I never heard the Customs Department even accused of favoritism or improper conduct. This is more than an impropriety. It is a reflection upon the Minister of Customs, upon the Government and upon the administration of Justice. For my part, I am quite in favour of any increase of penalties, but I think that the gates should always be left open for a judge to exercise his discretion or for the Crown to exercise the prerogative of mercy.

C. P. BEAUBIEN: Honourable Hon gentlemen, I for one cannot think that the officer who drafted this Bill has given to it the consideration which it deserves. Its effect has been shown very clearly by the two honourable members who have preceded me. But it would have another result. It would defeat the ends of justice, because if a person is found guilty and the judge has no alternative, but must send him to prison, the judge will very often hesitate to apply the law; and, in the second place, you would in some instances make of your Customs officers, if they are not of the right stamp, blackmailers. A person may be allowed to pass who has brought from Paris a dress for his wife, and although it has cost less than \$200 in Paris, it may be valued here in the Canadian market at \$200. An officer may say to that man: "You will pay through the nose, or I will send you to jail," or, what would be still worse, "I will send your wife to jail."

You bring in this Bill because a small amount of duty has been wrongfully kept from the State. You are placing the man who is guilty of depriving the State of perhaps \$30 or \$40 on the same footing as the man who has been guilty of a heinous crime such as theft or manslaughter. Is it reasonable to put the two classes of offence side by side? That is certainly what you are doing to-day, without reflection. Whatever may have been the education of the Canadian people on the meaning of smuggling, and notwithstanding the fact that hitherto everybody has thought that, if it was not right, it was not, after all, dishonourable, you are going to compel the judge to treat these people as ordinary lowgrade criminals.

But you would do more than that. A man may get by the Customs without being caught, and in that case he will be free of any penalty. He may be caught and found guilty. But the law goes much farther. Under the second section the penalty may follow him through life. So long as a person has in his possession an article worth more than \$200 on which duty is payable and has not been paid, that person is liable, without any discretion on the part of the judge, to one, three or seven years' imprisonment. For all time to come that awful, degrading sentence hangs over his head. I say this proposed law is not a reasonable one. Common-sense must be at the bottom of all law. Any enactment which is not based on common-sense will not be accepted by the people, and any law that is not accepted by the people will not be observed. That has been proven at all times in history. Now you propose to pass a detestable law. Nobody will recognize it, and if some of the judges have to apply it, the whole community will rise up against you.

My honourable friend will not find on this side of the House anyone who wishes to sacrifice the Canadian market for the benefit of strangers. Certainly that is not the attitude on this side of the House, or on the part of anybody who believes in a national policy; but the honourable gentleman opposite is making a sad mistake if he thinks that he is protecting the Canadian market by providing penalties so heavy that they will never be imposed.

The effect may be to cause many honest officers of the Government to become detestable. They will find themselves in such a strong position that not only can they be impudent, but they can persecute the Canadiaa people, of whom they are, after all, only the servants. I firmly believe that this law ought, at all events, to be delayed, so that we may have time to consider it very carefully. If the Government want to increase penalties, because they think there is too much smuggling going on, well and good, but it seems to me that unless you have no confidence in the judiciary of this country, unless you think you must shackle the judge for fear he may conspire with criminals so that they may Hon. Mr. BEAUBIEN.

evade the law, you must give back to him what you are attempting to take away, namely, his discretion in dealing with each case on its merits, and you must leave him free to apply a penalty that will fit the crime instead of a penalty that is excessive and repugnant, as provided in this Bill.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, among the many effects of original sin to be found within the human breast is the love of smuggling. I will not put it down as a crime. It seems to be human nature, or the exercise of that resourcefulness which is implanted within all men and women, particularly women. If they can smuggle articles of fancy clothing from the neighbouring republic into this country, even though such articles might be purchased at a much lower price in Canada, they will do it.

Hon. Mr. BELCOURT: It gives them a genuine thrill.

Hon. Sir JAMES LOUGHEED: Yes, it is done with thrills and it is done with frills. I am satisfied that no law will suppress smuggling. It is as old as the human race, and it will continue so long as it is forbidden. It originated in the Garden of Eden, when the commandment, "Thou shalt not", was first given.

I understand that the origin of this Bill is attributable to some merchants' organizations which labour under the impression that a large volume of trade has been diverted from Canada and constitutes a profitable market in the United States, through our people going over there, making purchases, and coming back to Canada with concealed goods. The draftsman of this Bill had evidently tasted blood, and as he went on to prepare and develop the statute, the lust for blood seemed to increase. He worked himself up into a state of indignation, of frenzy, in which he lost all sense of human nature, human kindness, generosity, and fair play.

Let me give a sample of the accumulation of penalties—of the pyramiding of penalties. "Pyramiding" is a word with which we have become very familiar lately, with reference to the pyramiding of taxes, and it is quite applicable to the present situation. Here is a pyramiding of penalties. Paragraph (c) reads:

in any other way attempts to defraud the revenue by avoiding the payment of duty or any part of the duty on any goods of whatever value;

auty on any goods of whatever value; such goods if found shall be seized and forfeited without power of remission, or if not found but the value thereof has been ascertained, the person so offending shall forfeit without power of remission the value thereof as ascertained.

(2) Every such person shall, in addition to any other penalty to which he is subject for any such offence,—

And this applies to frail woman, just as well as to the burly and robust man who may go over to the other side and buy a \$200 suit of clothes—

(a) forfeit a sum equal to the value of such goods, which sum may be recovered in any court of competent jurisdiction; and

(b) further be liable on summary conviction before two justices of the peace to a penalty not exceeding two hundred dollars and not less than fifty dollars, or to imprisonment for a term not exceeding one year and not less than one month, or to both fine and imprisonment.

One would fancy that that accumulation of penalties would satisfy the State and that the offender would no longer wish to violate the law; but on the following page we find additional penalties:

(3) Every one who smuggles or clandestinely introduces into Canada any goods subject to duty of the value of two hundred dollars or over is guilty of an indictable offence and liable in addition to any other penalty—

That is, in addition to the penalties that are now piling up-

In addition to any other penalty to which he is subject for any such offence to imprisonment for a term not exceeding seven years and not less than one year for a first offence, and to imprisonment for a term not exceeding ten years and not less than three years for a second and each subsequent offence, and such goods if found shall be seized and forfeited, without power of remission, or if not found but the value thereof has been ascertained the person so offending shall forfeit without power of remission the value thereof as ascertained.

Hon. Mr. LYNCH-STAUNTON: The only thing they do not do is to cut off his ears.

Hon. Sir JAMES LOUGHEED: If they had gone on a little further they would have made this a capital offence.

Hon. Mr. DANDURAND They used to hang a man for stealing a sheep.

Hon. Sir JAMES LOUGHEED: Fancy our wives and sweethearts, returning from the other side with \$200 worth of goods, being subject not only to this forfeiture and this summary conviction of an indictable offence, but possibly to ten years' imprisonment. Why, simply by this Act, you are going to break up households that may have been living in the utmost harmony.

I have only to direct my honourable friend's attention to this accumulation of penalities for him to see how unreasonable it is and what a lust for blood must have characterized the draftsmen of this Bill

Hon. W. B. ROSS: I would like to ask the honourable leader of the Government if he is aware of the new form of inquisition that is es ablished now by the Customs. When returning from the United States I used to

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be asked the question whether or not I had anything to report to the Customs, and they might take my word or they might not. They might examine my bag. But now the question is: "Did you buy anything when you were in the United States?" I would like to ask the honourable gentleman, is he aware that that is the present form, and is it legal? A man who has gone to the United States may meet with some accident. He may get his clothes wet. He may have to buy a new suit of clothes and to throw away the old ones. Would he have to pay duty on the clothes that he was wearing to cover his naked-Or if he bought a bottle of whisky ness? and drank it before reaching the border, would he have to pay Customs duty on that?

Hon. Mr. BELCOURT: Or on his meals?

Hon. Sir JAMES LOUGHEED: Or forfeit the bottle?

Hon. Mr. ROSS: He would have to hand that up, I suppose. This Bill, to me, is shocking. It shocks my moral consciousness that the Government should propose a Bill like this at all. I think you ought to be quite content with the Act you have. All kinds of iniquities might arise under this Bill, as you would see if you considered it section by section. I am not going to take up the time of the House to do that. The Bill goes too far altogether. It is too much like the practice of the middle ages, when they were not satisfied to cut a man's head off, but cut him up into sections, one piece for each day.

Hon. Sir JAMES LOUGHEED: They drew and quartered him.

Hon. Mr. ROSS: Yes, they drew and quartered him. This thing is evidently inspired by some man who has been reading of the punishments of old times and devising some new ones for the Customs. I think the honourable leader of the Government would do the wise and handsome thing if he would withdraw this Bill altogether and simply rely upon the Customs Act that we have now.

Hon. Mr. LYNCH-STAUNTON: Would the leader of the Government let me put a question to him? I know of a case in which a lady bought a dress in the United States, brought it into Canada—there was no duty paid on it—and about a year afterwards went back to the States and wore the same dress. When she was coming into Canada again a Customs officer asked her where she had got the dress. She said she had bought it in New York. "When did you buy it?" "Last year." Now, that dress was subject to duty. Assum-

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ing that that lady wore that dress back to New York after the passage of this Bill, not having paid duty on it, and brought it in here again, and it was worth \$300, would she go to the penitentiary?

Hon. Sir JAMES LOUGHEED: There is no power of remission.

Hon. Mr. LYNCH-STAUNTON: She would have to.

Hon. Mr. DANDURAND: I suppose she would have to bear a double punishment, twenty years, because she had twice crossed the line.

Hon. Sir JAMES LOUGHEED: Oh, withdraw.

Hon. Mr. ROSS: Yes, withdraw.

Hon. Mr. DANDURAND: Honourable gentlemen, human beings are full of contradictions. Yesterday we listened to a debate on the sanctity of the principle of protection, and now I hear that human nature protests daily against that principle, and that it is innate in man and woman to bring in goods from one country to another.

Hon. Sir JAMES LOUGHEED: We have enough protection already.

Hon. Mr. DANDURAND: Now, to come back seriously to the matter before us. I would ask my honourable friend to think of the officers who have to administer that repellant law of the customs barriers that are contrary to nature. For the last two years those men have been denounced from the Atlantic to the Pacific, as being remiss in their duty—

Hon. Sir JAMES LOUGHEED: By whom?

Hon. Mr. DANDURAND: -as working hand in hand, possibly, with the smuggler. Delegations composed of men of high standing have come to Ottawa-I have received delegates myself from Toronto, Winnipeg, Hamilton and Montreal-stating that their whole trade was being disorganized; that they were paying 25 or 35 per cent duty on their goods, and were being met with the competition of those who had smuggled high-class goods, silks and other textiles, into this country. They seemed to be discouraged as to the future. If honourable gentlemen who are protesting against the severity of this law had heard those princes of commerce, I am sure they would not treat so lightly the legislation now before us.

I draw the attention of honourable gentlemen to the fact that the amendment divides into two classes the people who may violate

Hon. Mr. DANDURAND.

the law: those who are not traders, but who are simply incited to cheat the treasury in small sums on articles that they carry from one side of the line to the other, and who are treated practically as they were under the old law—

Hon. Mr. LYNCH-STAUNTON: Where is the distinction made between them?

Hon. Mr. DANDURAND: The distinction is in clause 3, which strikes at the men who are robbing this country of its legitimate customs dues and robbing legitimate trade of a fair chance of survival.

Hon. Sir JAMES LOUGHEED: Would my honourable friend point out the inadequacy of the present law? If it cannot be enforced, how can this be enforced? We all know that the customs penalties to-day are extraodinarily heavy.

Hon. Mr. DANDURAND: They are not sufficiently heavy to deter some men, who are ready to take a chance of violating the laws of the land.

Hon. Sir JAMES LOUGHEED: Are they as a general rule detected in the violation of the customs law? That is the point.

Hon. Mr. DANDURAND: Very often they are not detected at the frontier. Within the last thirty days detectives have succeeded in laying their hands on stocks of silks which were being carried from one place to another in the city of Montreal in order that they might be distributed to retailers. There were thousands of dollars worth of goods. When the truck was surrounded these men jumped at the throats of the detectives, pulled out revolvers and fired at them. They are today in jail.

Hon. Mr. REID: Under the present law they can be sent to jail or to the penitentiary.

Hon. Mr. DANDURAND: There has been such a general movement towards the violation of the Customs law in order to obtain large profits, since the introduction of the automobile, which was unknown when the law was being administered by my honourable friend from Grenville (Hon. Mr. Reid), that the hand of justice must come down heavily upon the transgressors. If we increase the penalties, and show the men who are now taking the nisks that they can be landed in the penitentiary for seven years, that will be a considerable deterrent.

I will not say anything further, but will simply ask the second reading of this Bill. We will take the Committee stage on Monday evening, and then, when we are examining

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each of the clauses, if it is found that they can be bettered or that the penalties should be reduced in some cases, I shall be prepared to examine such proposals in the light of reason and common sense.

Hon. Sir JAMES LOUGHEED: Could my honourable friend not have a clause prepared that would exempt that class of tourists or travellers found on our boats and transportation systems, who go to and fro between the countries, and who cannot be regarded as smugglers at all? This proposed legislation would reach that class as well as the class of smugglers that my honourable friend is trying to get at. There is every disposition to reach a class that is violating the laws of the Dominion by bringing in most valuable stocks of goods and evading the customs; but it seems to me that if there were such a clause as I refer to, it would meet the situation.

Hon. Mr. DANDURAND: I may say, honourable gentlemen, that I welcome all this criticism. The Senate is doing its duty in pointing to what it believes to be weak points in the Bill. The proper time to do that is on the second reading, and although the criticisms may involve what are practically Committee changes, nevertheless they give the experts in the various departments an opportunity to examine into the matter and to advance reasons for what is proposed or to offer suggestions for the betterment of the legislation.

I move the second reading of this Bill with the knowledge that this discussion will be read by the head or the Deputy Head of the Department of Customs, who will be here on the floor of the House to advise me when the amendments are suggested.

Hon. Mr. REID: I would like to ask the Leader of the Government to take up with his colleagues the question of the advisability of letting this Bill stand until next Session, when the Minister of Customs will have had time to look into it and understand it thoroughly. After all, he is the one who is really responsible for the carrying out of the law. I am very sorry that the present Minister has been ill for the last two or three months, and I hope he will soon be returning and will be given an opportunity of dealing with it.

Hon. Mr. DANDURAND: I think I can satisfy my honourable friend. I will move that this Bill be referred not to the Committee of the Whole, but to the Committee on Banking and Commerce, where we will have representatives of the Customs Department with their records to give explanations to the members of the Committee. Hon. Mr. REID: With all due respect to the Committee on Banking and Commerce, I think this is such an important Bill that the House as a whole should hear the discussion. The honourable the leader of the Government could have an official of the Department on the floor of the House.

As the honourable the leader on this side of the House has said, there are a great many tourists coming into this country, and they may have a little fruit, or something of that kind, upon which they do not think there is any duty. The honourable the Leader of the Government knows that the informer receives 25 per cent, or it may be more than that now, of the fine imposed, and there are some officers who would like nothing better than to obtain their share of the fine. This would have the effect of driving a lot of tourists away from the country. Furthermore, this is going to affect poor people very seriously. There are a good many poor people who come in with some small article, and under this provision there would be a fine of not less than \$50 imposed, and they might not be able to pay it and the minister not having any power at all in the matter, they would have to go to jail, although perhaps they thought they were doing nothing wrong. At many places along the border on the Prairie there is not a customs officer within 200 miles. People go to the other side and probably buy a few groceries and bring them back. If the amount ran to over \$200 for a month or so, they would have to go to the penitentiary, or if it was less than that, they would be fined \$200. We may lose a few dollars in Customs duty, but we will save the expense of a lot of Customs officers. These are things which I think the Leader of the Government should consider, and see if it is not better to have the Bill stand over rather than go through in the dying days of the Session when we have not time to get it before the Committee and go into it thoroughly.

Hon. Mr. DANDURAND: I am sorry I cannot comply with the request of my honourable friend. Really, a situation has developed that must be coped with. I am offering to send the Bill to the Committee on Banking and Commerce so that we may have the officers of the Department before us.

Hon. Sir JAMES LOUGHEED: All right, we can take up the corrective clause then.

Hon. Mr. LYNCH-STAUNTON: May I suggest that the law be left as it is now, and that clauses be added to modify it so as to

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reach only those who in the opinion of the tribunal are importing for the purpose of sale?

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

GOVERNMENT EMPLOYEES COMPEN-SATION FOR INJURIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 167, an Act to amend an Act to provide Compensation where Employees of His Majesty are killed or suffer injuries while performing their duties.

He said: Honourable gentlemen, an Act was passed in 1918 to provide compensation where employees of His Majesty were killed or suffered injuries while performing their duties. This was done to cover the case of employees on the Intercolonial railway, which was then being absorbed by the Canadian National railway. The Act provided that the employees would come under the Provincial Compensation Act, and referred to the compensation being granted to them. It has been found that the word "compensation" in the Act is not wide enough to include medical and hospital expenses.

The subsection repealed requires any employee who is a contributor to the Provident Fund and who becomes permanently disabled while on duty to elect whether he will take the benefits of the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act or the benefits of the Provincial Workmen's Compensation Act. The repeal of subsection 4 will permit such an employee to enjoy the benefits of both Acts.

Hon. Sir JAMES LOUGHEED: Does that mean that he can get the benefits of those Acts?

Hon. Mr. DANDURAND: Yes, because the Provident Fund Act was an Insurance Act under which the employee contributed, while the Compensation Act, which was passed in 1918, did not call for any contribution from the employee. That is the reason why these amendments are sought. I will explain them more fully in Committee.

Right Hon. Sir GEORGE E. FOSTER: He is freed from contribution?

Hon. Mr. DANDURAND: He is not to pay contributions under the Federal Act of 1918, but he had contributed under the Provident Fund Act prior to 1918, and he will be entitled to the benefits that accrue to him under that Act.

Hon. Mr. DANDURAND.

Right Hon. Sir GEORGE E, FOSTER: Will there be repaid to him what he has contributed from 1919 on?

Hon. Mr. DANDURAND: I am not sure that he continued to pay after 1918. I will obtain that information for the Committee stage.

Hon. Mr. REID: When the Bill of 1918 was passed, the intention was that in every Province the employees of the railways should be entitled to have their cases settled by the Compensation Board of the Province. Does this change that in any way?

Hon. Mr. DANDURAND: Not at all; the railway employees are under the same Acts—the provincial Acts.

Hon. Mr. BELCOURT: This Bill does not seem to me to involve any of those matters.

Hon. Sir JAMES LOUGHEED: Only hospital expenses.

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

POST OFFICE EMPLOYEES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 168, an Act to amend the Civil Service Act, 1918, respecting certain Post Office Employees.

He said: The object of this Bill is to enable the Civil Service Commission to appoint experienced employees of Postmasters of offices paid by percentage on revenue, when the status of such offices is changed to the staff basis. It will, for all practical purposes, be a re-enactment of section 12 of chapter 8 of the statutes of 1910, but modified in such a way as to make the procedure regarding appointments to the Civil Service, conform to the procedure at present in effect, that is, on certificate of the Civil Service Commission.

In Post Offices where the Postmaster is paid by percentage on revenue, the Postmaster is required to employ and pay whatever assistance is necessary to properly carry on the work. In staff Post Offices all the employees, including the Postmaster, are paid from Parliamentary Appropriation, in accordance with the Civil, Service classification.

The effect of this Bill will be to allow the Civil Service Commission to appoint as employees of staff post offices persons who have been engaged in what are known as revenue post offices which are being changed to the staff basis.

The amendment which is proposed constitutes a restoration of a clause which was dropped accidently at the time of the drafting of the Act of 1918. Nobody knows how that mistake occurred, and there is a consensus of opinion that it should have been retained. and that it is proper to restore it now.

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. Taylor in the Chair.

The Bill was reported without amendment.

INCOME WAR TAX BILL FIRST READING

Bill 183, an Act to amend the Income War Tax Act, 1917.-Hon. Mr. Dandurand.

SECOND READING

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

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

Hon. Mr. DANDURAND: I understand that it is too late to obtain sanction for this Bill, so it may as well appear on our Order Paper.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

Right Hon. Mr. Justice Anglin, Deputy of the Governor General, having come, and being seated at the foot of the Throne, and the House of Commons being summoned, 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 correct a clerical error in Chapter 166 of the Statutes of 1924, intituled: "An Act for the relief of James Henry Kirkwood "

An Act respecting The Toronto Terminals Railway Company.

An Act for the relief of Jessie Louise Cowan.

An Act to incorporate Guaranty Trust Company of Canada

An Act respecting The Mutual Life Assurance Company of Canada.

An Act respecting the Alberta Railway and Irrigation Company.

An Act respecting The Manitoba and North Western Railway Company of Canada.

An Act respecting the Marconi Wireless Telegraph Company of Canada, Limited. An Act respecting Joliette and Northern Railway

Company.

An Act for the relief of George Thomas Grigor.

An Act for the relief of Ethel May Sherriff.

An Act for the relief of Max Arno Frind.

An Act for the relief of Elizabeth Burns.

An Act for the relief of Fred Herdman Ogden.

An Act for the relief of Marion Gooderham Smith

An Act for the relief of Edith Mary Wiles.

An Act for the relief of Annie Kate Winch.

An Act for the relief of Florence Kate Coutts.

An Act for the relief of George Kerr Jess. An Act for the relief of Thomas Almer Shields.

An Act for the relief of Roderick James Ellis.

An Act for the relief of Florence Mann.

An Act for the relief of Samuel John Pegg, junior.

An Act for the relief of Izzie Klinmentz (otherwise known as Izzie Climans).

An Act for the relief of John Hutchison Durnan.

An Act for the relief of Richard James Wright.

An Act for the relief of Mary Ellen Ayre.

An Act for the relief of Helen Mary Pritchard.

An Act to incorporate the British Consolidated Assurance Corporation.

An Act to extend the period of the Canada Highways Act.

An Act respecting The Restigouche Log Driving and Boom Company

An Act to amend The Government Annuities Act, 1908.

An Act to amend The Migratory Birds Convention Act.

An Act to authorize an extension of time for the completion of The Saint John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B.

An Act to amend the Act to authorize Rearrangements and Transfers of duties in the Public Service.

An Act for the relief of Harry Hambleton. An Act for the relief of Laura Grace Davis.

An Act for the relief of Alice Brouse.

An Act for the relief of Robert Lawrence Anderson.

An Act for the relief of Pearl Hibbard.

An Act for the relief of William John Taylor.

An Act for the relief of Albert Edward Cottrell.

An Act for the relief of Florence May Mott

An Act for the relief of Ellen Mary Harvey.

An Act for the relief of Stella Florence Brickenden.

An Act for the relief of Frank Alexander Michel (otherwise known as Frank Alexander Mitchell).

An Act for the relief of Thelma Adeline Rose Hands. An Act for the relief of Jean Veronica Margaret Wright.

An Act for the relief of Ruth Darcy Blinn McCrimmon.

An Act for the relief of Thomas George McElligott. An Act for the relief of Alvin Wesley Richards.

An Act for the relief of Cecil Tanner. An Act for the relief of Ruth Ellen McGowan.

An Act for the relief of Edith Kearsley Smith. An Act for the relief of James Raymond Armstrong.

An Act for the relief of Josephine Royant An Act for the relief of Gertrude Margaret Burkart.

An Act for the relief of Vera Thelma Gooderham.

An Act for the relief of William John Fuller. An Act for the relief of Alfred Augustus Jacques.

An Act for the relief of Paul Zizis. An Act for the relief of Annie May Blunt.

An Act for the relief of Grace Harrington Bloom.

An Act for the relief of Ian Somerled Macdonald.

An Act for the relief of Arthur Beldon Morrison.

An Act for the relief of George Edward Sharp.

An Act for the relief of Marjorie Morton.

An Act for the relief of William Ernest Hampson.

An Act to amend the Royal Canadian Mounted Police Act

An Act to amend The Dominion Lands Act.

An Act to amend The Customs Tariff, 1907.

An Act respecting the publication of the Statutes. An Act to amend The Department of Immigration

and Colonization Act. An Act to amend The Industrial Disputes Investigation Act, 1907.

An Act for the relief of Dorothy Strathy.

An Act for the relief of Minnie Williams Goldberg.

An Act for the relief of Charles Arthur Sara. An Act for the relief of Frederick George Randall

Lacey. An Act for the relief of Norma Evelvn Stevens Hammond.

An Act for the relief of Lillian Yaffe.

An Act for the relief of Charles William Dickinson.

An Act for the relief of Charles Murray Cramsie

An Act for the relief of Frederick William Mallyon.

An Act for the relief of Ruth Dorothy Rutenberg. An Act for the relief of Mollie Weiner.

An Act for the relief of Lillian Rebecca Mains. An Act for the relief of Elizabeth Ruth Badgley Shaw.

An Act for the relief of Lilian Helena Caldwell. An Act for the relief of Elizabeth Strachan Reid Harvey Strachan.

An Act for the relief of Esther Charlotte Ancel.

An Act for the relief of Birdie Cohen Gould.

An Act for the relief of Walter Roderick Wilson Robinson.

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

An Act respecting a patent of West Virginia Pulp and Paper Company

An Act respecting a patent of Walter W. Williams. An Act respecting The Toronto Terminals Railway Company.

An Act respecting the construction of a line of railway forming part of the Canadian National Railways between Turtleford and a point in Township 48, Range 12, West of the Third Meridian, in the province of Saskatchewan.

An Act respecting the construction of a line of railway forming part of the Canadian National Railways between Bengough and a point at or near Willowbunch, in the province of Saskatchewan.

An Act respecting The London Mutual Fire Insurance Company of Canada, and to change its name to "London Fire Insurance Company of Canada."

An Act respecting a patent of Edgeworth Greene.

An Act respecting the Ottawa Electric Railway Com-

pany. An Act to amend The Toronto Harbour Commissioners Act, 1911.

An Act to amend The Opium and Narcotic Drug Act.

An Act to amend The Dairy Produce Act.

An Act to amend The Meat and Canned Foods Act. An Act to amend The Live Stock and Live Stock

Products Act, 1923 An Act to amend the Animal Contagious Diseases Act.

An Act to amend the Supreme Court Act.

An Act for the relief of James Hooper Robins.

An Act for the relief of Jacob Edward Thuna.

An Act for the relief of Mary Alina Marguerite Peat.

An Act for the relief of Isabel Davidson.

An Act for the relief of Jacob Ross.

An Act for the relief of John Delbert Boddy.

An Act for the relief of Edward Hugh Reid.

An Act for the relief of Sidney Charles Simmons.

An Act for the relief of Kathleen Mary Ricketts.

An Act for the relief of Sadie Dennis.

An Act for the relief of Harriet Elizabeth Couch

An Act for the relief of Margaret Helen Strickland.

An Act for the relief of John Henry North.

An Act for the relief of Mary Jane Apedaile.

An Act for the relief of Cecil Donnelly.

An Act to amend an Act respecting the construction of a Canadian National Railway line from the end of the China Clay Branch to St. Remi d'Amherst, in the Province of Quebec.

Hon. Mr. DANDURAND.

An Act to authorize an Agreement between His Majesty the King, and the Corporation of the City of Ottawa.

An Act respecting trade between Canada and Finland.

An Act respecting a certain trade convention between His Majesty and the Queen of the Netherlands. An Act to authorize the raising by way of loan, of

certain sums of money for the Public Service. An Act for granting to His Majesty certain sums of

money for the public service of the financial year ending the 31st March, 1926.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned till Monday, June 15, at 8 p.m.

THE SENATE

Monday, June 15, 1925.

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 Walter Roderick Lewis .- Hon. W. B. Ross.

Bill C6, an Act for the relief of Irene Muriel Corelli.-Hon. W. B. Ross.

THIRD READINGS

Bill T5, an Act for the relief of Maude Crawford Ross .- Hon. Mr. Haydon.

Bill U5, an Act for the relief of Bertha Matilda Quinn.-Hon. Mr. Haydon.

Bill V5, an Act for the relief of William Garfield Reed.-Hon. Mr. Black.

POST OFFICE EMPLOYEES BILL

THIRD READING

Bill 168, an Act to amend the Civil Service Act, 1918, respecting certain Post Office Employees .-- Hon. Mr. Dandurand.

INCOME WAR TAX BILL

THIRD READING

Bill 183, an Act to amend the Income War Tax Act, 1917.-Hon. Mr. Dandurand.

GOVERNMENT EMPLOYEES COMPEN-SATION FOR INJURIES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 167, an Act to amend an Act to provide Compensation where Employees of His Majesty are killed or suffer injuries while performing their duties.

Hon. Mr. Belcourt in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

HOME BANK DEPOSITORS RELIEF BILL

MOTION FOR SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada.

He said: Honourable gentlemen, this Bill provides for the payment of part, about 35 per cent, of the deposits appearing at the credit of depositors in the Home Bank when it closed its doors on the 17th day of August, 1923. I will endeavour to be concise in explaining the facts, and to go to the kernel of the question as summarily as possible.

This money grant is based not on a legal right, but on a moral claim in equity; in other words, it is an equitable and just claim unrecoverable at law. As every honourable member of the Senate knows, the Bank Act does not provide a Government guarantee of deposits. Prior to the last revision of the Act, in 1923, it did provide certain safeguards, most of which proved futile and illusory when the management was in the hands of incompetent or dishonest people. Under the Act before the last revision the Finance Department could easily be deceived. I believe that the last amendments to the Bank Act constitute a vast improvement in this respect. We have so elaborated the returns made monthly to the Department of Finance that the many loop-holes that existed previously have, I believe, been closed. We have, besides, instituted an inspectorship which should furnish the necessary security, such as did not exist under the old Act.

Have the Home Bank depositors a moral claim justifying compensation from the public Treasury? I lay down the proposition that each case must stand separately and be judged on its merits. We had before us in 1914 a similar demand on the part of the depositors of the Farmers' Bank. A moral claim at that time was urged, based on the issuance by the Treasury Board of a certificate given upon the declaration that the necessary deposit had been made according to law. It turned out that the declaration which had been filed was, according to the terms of the Act, untrue. The capital had been constituted in part by the proceeds of notes. Was this initial defect sufficient to constitute, four years later, a moral claim in equity on the

part of the depositors for reimbursement? The Senate at the time answered in the negative.

I am not prepared to say that all of the majority at that time were actuated by the same reason. I can only speak for myself. I stated at the time that that initial defect had been cured-and it was so admitted-by the notes having been paid at maturity; and I asked the Senate what subsequent period in a bank's existence was needed to remedy such an initial defect. I had known of banks-and I stated so at the time-that had been in existence for 25 years and had prospered, but whose license had been obtained on a deceptive statement that the capital had been paid in full, whereas it had been, as in the case of the Farmers' Bank, paid partially by notes. In the course of the discussion I questioned whether in the case of a bank which, after developing and prospering for years, had been compelled, through mismanagement or for some cause unknown, to close its doors, the depositors could allege an initial defect such as that which I have mentioned. My answer was in the negative. I felt that, the Farmers' Bank having proceeded on its way for four years, and that initial defect having been cured by the payment of the notes, there was no moral claim in equity against the public Treasury on that score.

Sir William Meredith, who was appointed to examine into the case of the Farmers' Bank, stated in the course of his remarks and conclusion:

Notwithstanding the irregularities on the part of Travers and his misconduct in connection with the application for the certificate, which I have mentioned, the evidence satisfied me that if the Bank had been prudently and honestly managed there is no reason why it should not have succeeded. The promissory notes that had been given by subscribers were for the most part good and were subsequently paid, and while it is true that if the certificate of the Treasury Board had not been granted the money of the shareholders and depositors would not have been lost, the efficient cause of that loss was the recklessness and fraud of those entrusted with the management of the Bank, and not the granting of the certificate.

So the Senate decided that there was no moral claim, because the failure was not attributable to any fault of omission or commission by the Department of Finance in the administration of the Bank Act.

On what ground is the present claim based? The depositors have alleged that in 1916 and 1918 the Bank was not in a condition to continue business; that the Minister of Finance was notified, and that he had authority under clause 56A to institute a special and outside audit of the Bank. It was urged by the depositors that if an audit such as is provided by section 56A of this Act had been instituted. the Bank would either have been forced to close its doors at the time or would have been forced to amalgamate with some other bank or organization, and this would have completely saved the depositors. The Minister of Finance, in not instituting under clause 56A an outside audit, was influenced to a large degree by the then existing war conditions.

On the reception of this petition from the depositors of the Home Bank what was the Government's action? It heard the representatives of the depositors, and some of the depositors themselves were represented before the Roval Commission which sat and heard evidence on the matters contained in the reference. The Commission was presided over by Mr. Justice McKeown. His report was laid before Parliament, and was referred to the Banking and Commerce Committee of the House of Commons, which Committee appointed a sub-committee of seven to review the evidence and report. That Committee, after weighing the evidence and Mr. Justice McKeown's report, found that there was a legitimate claim in equity against the public treasury. The report of that Committee was adopted by the House of Com-What was that report? mons.

Your Committee have sat from time to time and have studied the Interim Report on the Home Bank submitted by Mr. Chief Justice McKeown and the evidence therein referred to.

Your Committee consider that the facts therein brought out and the evidence therein referred to clearly establish that the depositors of the Home Bank have no claim under the law of the land for compensation by the country on account of any loss they may suffer by reason of the failure of the Home Bank.

But your Committee are also of the opinion that, in view of the representations made to the Department of Finance in the years 1916 and 1918, the Government of the time could have made in 1916 and in 1918 an effective audit under Section 56A of the Bank Act, and if such an effective audit or thorough investigation into the Bank's affairs had been made it would have resulted:

1. In the immediate liquidation of the bank, or

2. Its amalgamation with another bank, and that the effect would have been, no loss to the depositors in 1916 or 1918.

Your Committee have studied the evidence given before the Royal Commission by Sir Thomas White, who was then Minister of Finance, and particularly his statements: "I would never think of putting in a special auditor in a bank and taking chances, especially at a time like that, of closing the bank" (page 345); and further: "Under no circumstances would I have allowed a bank to fail during the period in question. I had many difficult and dangerous financial situations to deal with during the war. At its outbreak, in view of the panic which prevailed, the Government, at my instance, placed itself behind the banks of Canada and gave public assurance that it would Ioan them such sums as they might require to meet the conditions of the war, and would take all further steps necessary to safeguard the financial situation during its continuance" (page 359); and further: "The action I took was in my discretion; in exercising his discretion a Minister must have regards to conditions, because con-

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ditions have a direct bearing upon the consequences attendant on his action to the bank and the general situation. If you make a mistake in putting in an auditor, in peace time the consequences may be a run producing little effect upon the bank; if in war time, you may bring down the bank and, in addition, you may cause an unspeakable calamity to the country" (page 743).

Your Committee is not called upon to question the mamer in which Sir Thomas White made use of the powers given to him, or whether he exercised his discretion correctly or otherwise.

Your Committee consider that the facts brought out in the Interim Report submitted by Mr. Chief Justice McKeown, and the evidence therein referred to, establish that the depositors of the Home*Bank have a moral claim in equity for compensation by the country on account of any loss they may suffer by reason of the failure of the Home Bank.

This report, when submitted to the House of Commons, was adopted without dissent. Everyone knows that the Cabinet, the Government for the time being, is the executive of the House of Commons. It received a mandate from the House of Commons. Members of the Senate who have sat in the other House may discuss from many angles the value of such an action by the House of Commons. All I have to say is that when a branch of Parliament speaks it can only do so by overt acts; and when a report was presented on a matter which agitated public opinion and was of vital interest to tens of thousands of people, it was of sufficient moment to be taken seriously into consideration by the members of that House, and I believe that the report of the Committee was the serious thought of the House of Commons. No voice was raised against it, no dissent was registered; hence the presentation to the two branches of Parliament of the present demand to pay to depositors, as compensation for their losses the sum of \$5,450,000.

I do not know if I should not stop here and ask the Senate to vote the second reading of this Bill under the present circumstances; but, if my colleagues will bear with me for a few minutes, I would like to examine a little more closely into the matter which is before us.

I have heard the argument that this Bill creates a very dangerous precedent; that there is no real serious reason given for rescuing the depositors in the way we ask Parliament to do, inasmuch as everyone is supposed to know the law, and everyone, being supposed to know the terms of the Bank Act, knew that there was no Government guarantee when he walked into the Home Bank to make his deposit.

Well, if everyone is supposed to know the law, I take for granted that it is necessary for all of us to say that the law cannot be violated because it is unknown, since it would be an easy way for a member of the community to excuse himself after having violated any law. Yet when it comes to a question of examining into the intricacies of the Bank Act, I wonder if there is any member of the Senate who will rise in his place and say that every member of the community knew the details of the Bank Act? I believe that in the mass of the people there is an utter incapacity to distinguish between the solidity of one bank and another. I believe that it is totally impossible for ordinary people to do so, when they are not closely connected with the financial institutions of the country.

I draw the attention of my honourable friends to this situation. If in 1916, and since, any depositor had sought advice from the manager or the president of another bank, or had asked men of standing high in the financial world what they thought of such and such a bank, as to its solidity, he would have received a very prudent and wise answer, that, although one bank had a larger capital than another, they were all, in the eyes of the financial public, very solvent institutions. I venture to offer the opinion that if any question had been put to one who had some doubt upon any institution, he would have been very chary about expressing any doubt which could bring about a calamity to the country. Especially would he be averse to expressing such doubt when having no direct information on which to shake the confidence of his neighbour.

When one reads the Bank Act, it is clear that everyone deposits in any bank at his own risk. In order to refuse the solatium that is contained in this Bill, one might say that under the law every depositor deposited at his own risk. If that be the law, why was it not required of all banking institutions that they should place in very large letters over their front doors the words, "Every depositor who enters this bank deposits at his own risk." That was the law; it was the fact; but I wonder what effect such a notice would have had, in years past, upon the community generally. If that warning had been brought home to every man who entered a bank, do honourable gentlemen really believe that we would, on the 1st of May last, have had \$1,-263,000,000 of savings deposits of the plain, common people of this country, for the needs -the absolute and essential needs-of industry and commerce? Yes, in law the depositor walks into the banking house and deposits at his own risk; but at least he is entitled to such protection as the Bank Act provides.

Clause 56A of the Bank Act says that when a representation is made to the Minister of

Finance, he may order a special and outside audit of any banking institution. The Act does not even say so imperatively, but simply enables the Minister to do so. Now, there was that safeguard contained in the law, weak as it was; and there was a most important denunciation of this bank. In Mr. Justice Mc-Keown's report, at the bottom of page 9, here is the answer to question No. 1.

A. In the year 1915 no representations were made to the Department of Finance of the Dominion of Canada respecting the condition of the Home Bank of Canada. Such representations were made in the year 1916, as well as in the year 1918.

well as in the year 1918. B. The following important representations were made to the Department of Finance concerning the condition of the Home Bank during the years 1916 and 1918 viz:

(1) That an amount more than double the total paid up capital and reserve of the bank was locked up in four accounts, the securities for which could not be realized upon.

(2) That loans wholly disproportionate to the assets of the bank had been made on inadequate security, from which large loss was likely to occur.

(3) That amounts representing unpaid interest on at least three large accounts were carried into profit year by year and dividends declared on the basis of much fictilitous earnings.

(4) That arrangements agreed upon at a meeting of the board of directors with a view of passing upon all credits and making an early statement showing the hank's position, with recommendations, were not carried out.

(5) That false returns were made by the directors of the bank to the Department of Finance.

(6) That specific instructions given by the Minister of Finance in 1916 forbidding the capitalizing of unpaid interest, were disobeyed.

(7) That the president and some of the directors were indebted to the bank in large sums upon personal account and through companies in which they had an interest.

(8) That the auditor employed by the bank from year to year was incompetent and important matters were concealed from the board of directors and from Mr. Lash the bank's counsel.

Question No. 2 reads as follows: whether, if such representations were made, a state of affairs was revealed concerning the condition of the said bank such as would have justified an investigation under the powers conferred upon the Minister of Finance by section 56A of the Bank Act.

The answer to question No. 4—because I do not want 'to read the whole report—is as follows:

For the reasons above set out, I think an effective audit under section 56A of the Bank Act made in 1916 or 1918, would have resulted, as far as concerns the conduct of the bank's affairs, in either:

(a) Liquidation immediately following such audit, or,(b) Amalgamation with another bank.

And the effect of such audit upon the position of the present depositors:

If made in 1916 the present depositors would have suffered no loss.

If made in 1918, I do not think any loss would have fewlen upon them.

This was the denunciation which was made to the Department of Finance. It is true that in the month of March following-this was in January, I believe-the complainants, who were the three Western directors, Mr. Crerar being one of them, with two other gentlemen from the West, wrote to the Minister of Finance through Mr. Crerar himself, telling him that there had been a change in management, and there was a hope of piloting the bank to safety.

Hon. Mr. BEAUBIEN: Was that in 1916?

Hon. Mr. DANDURAND: That was in March, 1916.

Hon. Mr. ROCHE: Before the honourable gentleman leaves that branch of his statement I would like to ask him; if there had been an audit in 1918, from what source the depositors then having money in the bank would have obtained the money?

Hon. Mr. DANDURAND: My answer to my honourable friend is, first: That the deposits in 1916 were \$10,028,224, in 1918. \$14,988,422, and that when the bank closed its doors in 1923, through the opening of branches to receive deposits, they had jumped to \$19,295,735, so the situation in 1916 and 1918 was far less difficult to deal with than it was in 1923. I am not ready to express an opinion as to where the money would have come from; but Mr. Justice McKeown states, after an examination of the witnesses and the evidence produced before him, that the bank would either have closed its doors and would have succeeded at that time in repaying the depositors by a liquidation, or it would have been absorbed by some other institutions, inasmuch as sometimes the deficit is offset by the goodwill of the institution.

It is impossible to give in a few moments the whole aspect of the situation. I have cited what is contained in the report of Mr. Justice McKeown and reproduced in the report of the Committee of the House of Com-I have excerpts from a considerable mons. body of evidence given by Sir Thomas White; but one needs to read the whole of the evidence to find therein his self-justification. He has stated that in order to judge the action of a Minister one must put himself in the place of the Minister at every moment of the day and month and year when the matters came before him. With that statemen I agree. Sir Thomas White expresses the conviction that with the amount of information he had he was justified in giving the instructions which he did to try to strengthen the bank and keep it going.

We often say, and we have all felt individually, that one is wiser after the event; yet the depositors claim that throughout the negotiations that were carried on between the directors of the Home Bank and Mr. Lash at

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the time the new management was organized, after the protest of the western directors, Sir Thomas White did what he thought best under the circumstances, but could not help being influenced by the very serious situation which he has described.

Now, in order that honourable gentlement may have an inside view of the situation as it appeared to a clear-headed legal gentleman of Toronto, who had been appointed at that time in order to try to steer the bank in orthodox channels, I would cite a letter from Mr. Z. A. Lash to Mr. James Fisher, the gentleman who was corresponding for the Western directors, and who was advising them at Winnipeg. The letter, addressed to the Minister of Finance, denouncing the situation of the bank in terms that I have cited, is dated the 22nd of January, 1916. On the 29th of February, a month after, Mr. Lash writes to Mr. James Fisher as follows:

The more I consider the bank's position, even assuming that every account will ultimately be coilected in full, the more doubtful I feel as to the possibility of its continuing in business. The amount locked up indefinitely in four large accounts, is probably three times the paid-up capital, and more than half the total deposits; and if anything should take place which would cause a comparatively small percentage of the depositors to ask for their money, I do not see how the bank would, without assistance from outside, continue with open doors. I told Sir Thomas that my main object, since I

I told Sir Thomas that my main object, since I learned in outline what the bank's position was, has been to bring about a position, which, if the worst happened, would result in liquidation with open doors. This can only be brought about by the assistance of other banks, and I want definite instructions from the board as to how far I may go in this direction in consultation with Sir Thomas White, for he is now an essential element in the situation, which cannot be disregarded. He told me, and I could not dispute the correctness of his position, that, after you, on behalf of the Winnipeg directors, had submitted to him anformation which, to say the least, was very disturbing, the responsibility was thrown upon him, which he could not avoid, and which would not be discharged because those who had invited his intervention might desire him to withhold further action.

This is the letter of Mr. Lash after he had examined into the situation and knew fairly clearly with what calamity the bank was threatened. Mr. Crerar's letter declaring that he is satisfied that he has accomplished his end by effecting a change in the management, which he had not been able to accomplish before he appealed to the Minister of Finance, is dated the 20th of March, 1916.

Well, honourable gentlemen, Mr. Justice McKeown did not sit in judgment on the exercise of discretion by the Minister of Finance. I am not going to do so myself, and I am sure no one in this House desires to sit in judgment on the exercise of his discretion. But the depositors say, after hearing all the circumstances of the case, that if the war had not been going on in January and February of 1916 the Minister of Finance would have felt much freer to turn the Xrays on to that institution, and to send in a special auditor.

In 1918 the Minister of Finance was appealed to by a gentleman who had been delegated by the Western directors to go from Winnipeg to the head office, to try to solve the difficulties of the bank-Machaffie, Ι think, is his name. Those Western directors had confidence in the integrity and the lucidity of mind and intelligence of that gentleman. In 1918 he wrote a fairly strong denunciation of the methods of the bank. Sir Thomas White turned to a man whom he esteemed, as all who knew him did, Mr. Lash, and to the bank directors, to obtain information, at the same time threatening that if the information was not satisfactory he would do his whole duty. The depositors say: "We were the victims of the war conditions of 1916 and 1918, and we have a moral claim against the community represented by Parliament."

I have read about what took place after 1916 and 1918-the formidable effort on the part of the management of the bank to secure deposits. You had there men who felt that if it was the law-and such it was-that the Government offered no guarantee for savings deposits, at all events there was clause 56A, and that the Department of Finance was abundantly notified of the position of the bank. Probably no member of this Chamber, carrying the load that Sir Thomas White carried. would have judged proper to act otherwise than he did, feeling, as he says in his depositions, that if there was a certain peril in appointing an outside auditor to enter a bank in time of peace, there was a much greater danger in time of war when everybody is on his nerves and fearing for the morrow.

I would draw the attention of my honourable friends to a precedent which has just been given us by Great Britain. I will read some extracts from the British Hansard in regard to the McGrigor bank failure. On the 24th of November, 1922, in reply to a question by Mr. Herbert as to the possibility of any compensation being granted, the Under Secretary of State for War (Lt.-Col. Guinness) replied:

The War Office have no legal liability whatever for any banking business conducted by Army Agents, nor are they in any way responsible for such business. The Government, however, recognizes a moral claim on behalf of those whose accounts directly originated through Army connection with the firm as agents, and a Supplementary Estimate will be laid with the object of giving them substantial relief, estimated at 10 shillings in the pound in addition to the existing assets. No guarantee of the stability of the Army Agents as bankers could be given by the War Office without extensive powers of control, and such guarantee and control would in the opinion of the Army Council, be contrary to the public interest. The two existing Army Agents-Messrs. Cox and Messrs. Holt-both publish audited balance sheets from which the public can judge the strength of their position. The Army Counsel see no reason whatsoever for departing from their custom of employing these firms as their agents.

On the 28th of November the question again came up and Lt.-Col. Guinness stated again:

.... the War Office were in no way responsible for the stability of this firm of bankers. The War Office were only legally responsible for the obligations of Messrs. McGrigor as Army Agents and this agency work ended with the payment of public money over to the officers concerned personally or into their bank accounts, whether at McGrigor's or elsewhere. With regard to Question 17, I am aware that this bank in common with others of undoubted stability, had not made it a practice to publish balance sheets.

On December 5, 1922, the following question and answer are to be found:

5. Lt. Gen. Sir Aylaner Hunter Weston asked the Under Secretary of State for War what was the underlying principle on which was based the decision to refuse to pay the full losses of those officers who left their moneys in McGrigor's, the bank in which the Government had placed their pay; and why, after recognizing the moral claim of these officers and agreeing to pay 10 shillings in the pound, he refuses to pay the comparatively small extra sum required to cover the whole loss, and thereby causes dissatisfaction among the officers concerned?

Lt.-Col. Guinness—The principle on which the Goverument have based their decision is that, while no hability rests upon the Exchequer for the banking business of army agents, they are prepared to recognize some degree of moral responsibility in the circumstances, which they consider to be met by the proposed grant.

On December 12, 1922, the Financial Secretary to the War Office stated:

The money I am bound to admit is for an unusual Estimate. I sincerely hope that I shall never have to present such an estimate again, and that no one who follows me will have to do that either. The estimate provides for the relief of certain sufferers by the failure of Messrs. McGrigor, who were Army Agents and bankers. It is proposed to make an exgratia payment towards the losses of Army Officers and others whose connection with the Bank occurred through their connection with the firm as Army Agents, and the sum required to pay a 10 shilling dividend to such customers over and above whatever is received by the liquidation of the assets by the Official Receiver is estimated to amount with the Government proposes to render is in the shape of an ex gratia payment.

In other words, the payment of the officers was done through the McGrigor Bank, a private institution, which had received that money from the Government. Because the officers were going to that Bank for their money they were inclined to open accounts and make deposits there, and the Government of Great Britain felt a certain moral responsibility.

Thousands and thousands of poor peoplenot officers and generally educated men, but poor people—entered the Home Bank, just as they would any Bank, and in some places where there was no other bank, feeling that this institution, receiving their deposits and paying them back when called for, either with their own money or in Dominion notes, existed by the consent and authority of Parliament. These poor people had no suspicions whatever that there was anything wrong with the bank. Having met a number of them, I have been somewhat affected by the human equasion. However, I believe that we are liquidating the past and that the amendments made to the Act in 1923 will save us from similar disasters.

Hon. G. D. ROBERTSON: Honourable gentlemen, the Senate has before it a piece of legislation the like of which does not often fall to the lot of honourable gentlemen to consider. Happily it is on very rare occasions that the failure of a bank and the question of compensating those who have suffered bccause of that failure have to be given consideration by Parliament.

In this particular instance I quite agree with my honourable friend the leader of the Government that we should judge the case on its own merit. The facts are probably clear in the minds of all; but I trust that the House will bear with me for a few moments if I attempt to picture them. There are approximately a quarter of a million people affected by this situation. There were slightly over 60,000 depositors, and this means that more than double that number of people are directly affected: and in addition there were large numbers of organizations of various sorts -fraternal societies, church organizations, trade unions, and so forth, and even municipalities-who had large sums of money deposited in the Home Bank and who lost it all. In many instances a single depositor represented a large number of persons affected. I will cite just a couple of cases in order to demonstrate my meaning. In the city of Toronto there was one deposit of about \$12,000 that represented the funds of the Toronto Street Railway Employees, and belonged to about 3,400 men. In the city of Montreal there was a deposit of approximately \$30,000, belonging to what is known as Division No. 4, an amalgamation of labour organizations that represent all the men in the railway shops in Canada. That sum of \$30,000 was lost, and it belonged to 35,000 members of trade unions. Many cases of a similar nature might be indicated. Go to Fernie, British Columbia, and you find that not only several thousand miners had the collective savings of their organization on de-Hon. Mr. DANDURAND.

posit in the Home Bank, but the whole community had all its savings in that institution, because it was the only bank in the community. The destitution, want and suffering that resulted in that locality are a distressing story, too long to attempt to relate here. But I would point out to honourable gentlemen, first, that the failure of this bank and the loss that followed affected a far larger number of persons than the depositors shown on the bank's books.

Before entering upon a discussion of the details of this difficulty I would crave the opportunity to address particularly the honourable members of this side of the House for a few moments on a phase of this matter that was discussed in another place a few days ago. I was greatly surprised by the statements made, and the reason for them is still quite beyond my comprehension. The right honourable the Prime Minister of Canada took occasion to attack me personally for having written a certain letter to Mr. W. T. J. Lee, the Chairman of the Home Bank Depositors' Relief Association, in February last, and represented to Parliament and to the country that that letter was written by me in the capacity of temporary leader of the Conservative Party in the Senate. Our esteemed leader on this side of the House (Hon. Sir James Lougheed), as you know, was ill at that time, and though it is true that I was then attempting to discharge his duties, I want to say to the House, and particularly to my honourable friends on this side, that the communication mentioned had nothing whatever to do with my services in that capacity, but was written by myself purely as an individual. My friend Mr. Lee, whom I have known for years, was man enough to walk into my office on Thursday last and announce to me that he recognized that it was a personal communication addressed to him as solicitor for and chairman of the Depositors' Relief Association, and that he had no expectation or knowledge that the letter would be used as it was used.

I need not refer to it further. Every honourable gentleman who has read it in the press or in Hansard knows that the statement alleged to have been made was not contained within the corners of the letter at all. Because of my great respect for the honourable, responsible and dignified position of the Prime Minister, I refrain from expressing my views of conduct of that sort.

Hon. Mr. CASGRAIN: How did the letter get out?

Hon. Mr. ROBERTSON: My honourable friend asks how the letter came to be made public. The explanation from Mr. Lee, which is borne out by Hansard itself, is that a committee or sub-committee representing the depositors came to the Government and urged that the Government should give consideration to the thought that it might be well to provide an amount in the estimates instead of bringing down a separate Bill; that in the course of the discussion on that point it was mentioned that I had expressed an opinion in reply to a request from Mr. Lee. I may be mistaken in this, but my understanding is that the Prime Minister asked for the proof of the evidence, apparently doubting the committee itself, and that in order to substantiate the statements there was submitted to the Prime Miniser a copy of the letter, which he kept and without authority or consent published.

In corroboration of my statement that the letter was not written in my public capacity, I may say that communications had been passing between Mr. Lee and myself on the subject of the Home Bank, beginning on May 30, 1924, and continuing on various dates-May 31, June 9, June 11, June 12. Finally Mr. Lee wrote me-I did not write to himon February 11, and the letter of the 27th, the one particularly referred to, was my reply. At the time Mr. Lee was writing to me he did not know that I was serving in the capacity referred to by the Prime Minister. I will not take up the time of the House further on this point, except to assure honourable members that I consider the incident one to be regretted, as coming from the quarter from which it did come.

With reference to the question before us. my honourable friend the leader of the Government has made mention of certain precedents, following his observation that our discussion and decision on this Bill should rest upon its merits. I agree with him in the statement that merit should be the deciding factor. Parliament is surely a court of appeal to which His Majesty's humblest citizens may have recourse when they think they have a grievance. Parliament is not, in my humble opinion, a court of law. While it is admitted-and in view of the legislation that this Parliament passed last year it must be admitted—that the depositors of no bank have a legal claim against the State, vet the Committee on Banking and Commerce in another place has made the recommendation, and it has been approved, that there is a moral obligation resting upon the country in this matter. But there are precedents worthy of consideration in addition to those which have been quoted. I would call attention to a statement made on January 29 last and published probably in many papers. The one I have before me

is the Toronto Globe, in which this statement is made by a responsible Toronto barrister:

In the year 1866, says Mr. Reid the old Bank of Upper Canada failed and became insolvent. It had a paid-up capital of more than \$3,000,000, and its losses were enormous. In that year the bank transferred and assigned all its property and assets to six trustees for the purpose of having them realized and the proceeds distributed pro rata among the creditors.

distributed pro rata among the creditors. In the following year, 1867, shortly after Confederation of the Canadian Provinces, namely, in the first session of the first Parliament of the Dominion of Canada, held at Ottawa on November 6, 1867, an act was passed ratifying the above-mentioned transfer and assignment and creating the trustees a duly incorporated corporation, under the name of "The Trustees of the Bank of Upper Canada," with power and authority to carry on the business of the bank, so far as was necessary to wind it up. This statute is called "An Act for the Settlement of the Affairs of the Bank of Upper Canada," and passed the House of Commons and Senate, becoming law on December 21, 1867.

In the next year, 1870, on May 12, says Mr. Reid, another Dominion act was passed by the Commons and Senate, which transferred all the property and assets of the bank to the Dominion Government, and vested them in the Crown as trustee to wind it up. Under this statute the Government of Canada assumed and became possessed of all the powers of the old trustees; the administration of the estate and assets was taken away from the trustees and comnitted to the Governor-General-in-Council, and the sale of the assets, the settlement of the claims of creditors, and the disposal of the surplus were all properly arranged, to be dealt with by the Government.

In the year 1874, and again in 1882, other acts were passed at Ottawa regarding appropriations and payment of various claims connected with the bank, in view of the Government realizing on the assets, with the result that the Government paid off all the debts and liabilities to the amount of 75 per cent, also cancelled its prior claim of a million dollars against the bank, and refused to enforce the claim for double liability against the shareholders.

Another instance that is referred to by the same gentleman is one which occurred in the year 1883:

The Exchange Bank of Canada at Montreal was in financial difficulties, and the Government of that day found it wise and expedient, in the interests of the credit of Canada, as well as of the depositors and shareholders, to come to the assistance of that bank to the extent of \$300,000, which enabled it to pay 70 per cent to its creditors.

Then he proceeds to refer to more recent instances, the Banque Nationale and some others. So I mention to the House, in passing, that there are precedents, in addition to those mentioned by my honourable friend, which would surely warrant, if merit exists in this particular case, our voting some relief as has been done in previous instances.

Now, let us consider for a while what are the merits of the case. I may state incidentally that the correspondence which I have mentioned as passing between Mr. Lee and myself during a period of six months is all based on my contention, which he controverted, that the investigation held by the Committee representing depositors was too narrow and should have taken in all the incidents in connection with the Home Bank from the time its charter was granted until its doors were closed. The correspondence was a continued discussion of that question, lasting from May until February. In the communication of which I have been speaking there was a reference to and repetition of previous correspondence.

I will state just briefly what has been my view ever since the Home Bank failed—that any inquiry held ought to be thorough, entirely non-political, and absolutely on the merits of the case, and judgment should be rendered in accordance with the facts as found.

I desire to carry the House back for a few moments to the genesis of this bank. The petition for an Act to incorporate the Home Bank was presented to Parliament in 1903; and I have discovered this peculiar fact in connection with it, that the Bill was first introduced in the Senate. On the 21st day of April, 1903, a Bill, which is to be found in Chapter 127 of the Statutes of 1903, was introduced in this House and received its first reading. It was read the second time on April 24, and the third time on May 29 of that year. It was thereupon sent to the Commons, where it received its first, second and third readings on June 3, 5, and 19 respectively. In neither House, apparently, was it debated or discussed at all. On July 10, 1903, an Act to incorporate the Home Bank of Canada became law.

In Bill 45, which was submitted to Parliament in 1904, the provincial directors of the Home Bank were named and there was a request for an extension of time within which the Bank or the directors might comply with section 16 of the Bank Act, requiring certain deposits to be made with the Finance Minister before the Treasury Board would issue a certificate for the Bank to operate. That Bill was introduced into the House of Commons on the 12th of April, 1904; on the 15th of April it received its second reading, and on the 18th its third reading. The Hansard record of that Session indicates that the then Minister of Finance rose in his place in the House and objected to the second reading of the Bill, observing that in his opinion it was a violation of the Bank Act, and requested that the Bill stand over until he could get time to look into it. Three days later the Bill was reintroduced into the House, and was given its second reading, and three days later its third reading. The record does not indicate, and we have no means of knowing, whether the then Finance Minister satis-Hon. Mr. ROBERTSON.

fied himself that the Bill was in order, or whether he did not have time to give it consideration or investigation.

That Bill provided for an extension of one year in which the directors of the Home Bank might make the necessary deposit with the Finance Minister. What did that delay indicate? It surely indicated that they were not in a very strong financial condition. Another year went by, and while there is nothing on the Parliamentary records to show what happened after that, Mr. Reid, a solicitor who acted for several of the depositors, made before the McKeown Commission the statement, which so far as I know has never to this day been contradicted, that no payment was made to the Finance Minister, as required by the Bank Act, until eight days after the Extension Act had expired; and that when the certificate was granted eight days later there was no legislation in existence at all to enable the Home Bank to open its doors.

I have therefore contended, and said in the letter which my hon. friend the Prime Minister read the other day, that the bank was conceived in inquity and born in dishonesty, and that it never was in a solvent condition. That may be a strong statement, coming from a man who is not a banker, but I respectfully refer my honourable friends in this House to what occurred in Toronto the other day before Sir William Mulock, Chief Justice of the Supreme Court of Ontario, when dealing with these Home Bank appeals which are now before him. Counsel asked him the question: "When, in your opinion, did the Home Bank become insolvent?" and the reply of Chief Justice Mulock was that the bank was insolvent the day it opened its doors. Surely there we have some moral governmental responsibility. I am not attempting to lay the blame on any individual, but simply pointing out the cold concrete fact that there was responsibility on the part of the Government and of Parliament for permitting a bank to open its doors for business, that was insolvent when it opened.

Following that, what occurred? The same gentlemen whose names are recorded in Bill 45, who applied for the extension of time, were gentlemen who for the most part, if not in every instance, were directors of an investment and savings company which had done a large business in real estate transactions in Toronto. It is more than possible—indeed, it has been stated to me by business men as a fact—that those gentlemen conceived the idea of establishing the bank, and getting a charter, and securing deposits, in order to help them out, because of their need of greater capital. Be

that as it may, the fact remains that shortly after the Home Bank opened its doors for business, it took over the assets and liabilities of the investment company, though the securities which the company held were of such a nature that, under the terms of the Bank Act, the bank was not permitted to accept them. It is true, and the correspondence with my friend Mr. Lee reveals the fact-a frank admission on his part in one of his lettersthat at least one of those four large accounts which finally wrecked the bank was among the accounts taken over from that investment and savings company. If there had been an inspection, as the honourable leader of the Government says is in evidence now, and a reasonable check had been kept on transactions of that sort, probably the difficulties into which the Home Bank got itself would never have occurred; therefore perhaps the bank itself was not to be held wholly responsible for the lamentable crash which ultimately came

From that time the bank floated along until 1916, at which date a Western director made a report to the Minister of Finance, calling his attention to certain things which that director, Hon. Mr. Crerar, thought were not quite right. A careful investigation was gone into, and it developed, as I remember the evidence before Commissioner McKeown, that the then Finance Minister had required certain debtors of that bank to reduce their indebtedness by more than \$300,000, and also to deposit with the bank substantial additional securities for the loans which they had.

In regard to the facts relating to certain outstanding loans, called frozen assets or frozen loans, some of which were in British Columbia, the Finance Minister was in doubt. He subsequently obtained assurance from the very director who had complained to him in the first place, that in his opinion the assets behind those loans were ample, and that they would come out all right; and the director strongly urged the Finance Minister of that day not to have an open accounting, or reveal the situation of the bank to the public at large, lest it should result disastrously to the bank.

The Finance Minister of that day was in a delicate and difficult position, but he has stated frankly and honestly, as he always did honest man as he has always been—that, no matter what the situation might have been, he would not have permitted the Home Bank, or any other bank, as I remember his words, to have failed at that time, because of the war conditions, and the effect such a failure would have had upon the whole country at that moment. Very shortly after the Home Bank crashed, what happened? A run was made on the Dominion Bank, and the Ontario Government deposited in that bank \$1,500,000 to stabilize the situation and stop the run.

Now let us pass on a litle further. Sir Thomas White left the Government, retiring to private life because of the condition of his health, and passed to his successor in office certain information, which in turn was handed over to the Minister of Finance of the present Government when the change occurred in 1921. During that interim there had been no visible change in the situation; but it is true that shortly after that some of those large frozen loans became in a still more serious condition, and in 1923 the situation became acute.

Now I want for a few minutes to dwell on the chapter of the closing days of the Home Bank. From 1916 to 1923, as my honourable friend the leader of the Government has properly and truly said, the deposits in the Home Bank very substantially increased; and it is held by those who have been representing the depositors that if the bank's doors had been closed in 1916 or 1918 the losses would have been that much less. I think I perceived this fact as my honourable friend was speaking—that the difference between the amount of deposits in 1918 and 1923 virtually represents the amount that the Government now proposes should be paid to the depositors by way of relief.

When the bank reached the last days of its existence, representations were made to the Government of Canada respecting the bank's condition, and urgent requests were made for financial assistance to avoid the disaster. We do not know in detail what occurred at that midnight session when the directors came down here and interviewed certain Cabinet Ministers, including the Prime Minister; but we do know that on the day following the Government obviously made a decision that it could do nothing, because we have a record of at least one member of the Government who took action on his own initiative. We have on record, in the evidence of the Minister himself at the McKeown Commission, that the next day he went with several directors to Montreal, and there had a conference with certain gentlemen, Sir Vincent Meredith being mentioned by name. We find in the evidence that the present Acting Finance Minister, who had then just been saddled with the duties and responsibilities as Acting Minister, without any previous knowledge or experience in that portfolio-therefore he has my

sympathy rather than my criticism—we find that he went to Montreal with those other gentlemen, and according to his own evidence he said to Sir Vincent Meredith: "I have nothing to say; there is nothing the Government can or will do; I am just sitting here as an interested onlooker."

Now, honourable gentlemen, I submit this to you: What would this country have thought and said of Sir Thomas White if, when he was approached in 1916 or 1918, and the situation of that bank had been as serious as it was in 1923, Sir Thomas had sat down, folded his arms, and said: "There is nothing the Government can do, gentlemen: I would be glad if you can help these fellows out; I am here as an interested listener?" Ponder that in your minds, honourable gentlemen, and answer it in your hearts.

Hon. Mr. DANDURAND: But the situation was not the same.

Hon. Mr. ROBERTSON: I have stated the facts; if the statement is not exact, my honourable friend may correct it. Therefore, at the very time when the Government should have been active, and when on other occasions it was active in preventing a financial disaster in the way of bank failure, this time it was inactive, and voluntarily and wilfully permitted the disaster to occur, with its eyes open, knowing that it was at hand.

I submit, honourable gentlemen, that in the final analysis the state is responsible for the acts of its Government, regardless of any individual or group of individuals temporarily carrying on the business of the Government, whether in 1903, 1904, 1916, 1918 or 1923; and therefore, because it was possible in the first place to have prevented that bank from coming into existence, it was possible later on to have saved the situation, and there is a moral though not legal responsibility cast upon the whole of the people of the country to do justice to those who suffered innocently through the inefficiency—if I may use that term—of, administration.

In one of my letters to my friend Mr. Lee I said I felt keenly, as I do still, that if the facts I have laid before this House had been brought out in detail by way of evidence before the McKeown Commission, the whole of the people of Canada would not have hesitated to form a conception and decision as to what Parliament should do. Perhaps they thought they had good reasons for not going to that extent—and I am not criticizing them now for what they did, because it is done —but I am trying in my humble and feeble way to lay before this House the additional Hon. Mr. ROBERTSON.

facts beyond those which appeared before Mr. Justice McKeown, and upon which the Banking and Commerce Committee and the House of Commons rendered its judgment, recommending that the Home Bank depositors should be compensated in full for their loss.

That Committee brought in its report in 1924, and by a vote of 27 to 11 reported to the House of Commons that in its view the depositors should be compensated in full. The House of Commons at that time in its wisdom adopted the Committee's report. This year the Minister of Finance brings down a resolution, not providing for compensation in full-which I think would have been perfectly proper under the circumstances -but providing for a measure of relief, though not calling it relief, as I should think it should be regarded. By a decision of 100 against 20 the House of Commons has approved of and endorsed the proposal of the Government as made through the Finance Minister, and now the Bill is before us.

The Senate of Canada, on former occasions, at least on one that has been referred to tonight, has dealt with legislation whose purpose was to give relief, to some extent, and perhaps compensate in full, the depositors of another bank. But the fact that a mistake may have been made in the decision which this House then reached, I believe by a very narrow vote, is no justification for following the precedent established at that time, especially as there are other precedents if these have any weight in the minds of honourable gentlemen which I have already quoted to you in detail.

Parliament last year passed an amendment to the Bank Act which, in my humble opinion, was a mistake; but I refrain from discussing it because I realize my ignorance in respect to banking matters. The principle behind section 16 of the amended Act last year was, in effect, that no matter what mistakes the administration may make, no matter whether legislation providing for close inspection of banks is carried out or not, no matter what may occur to a bank in this country, there is no public obligation resting upon the state. Is that not most extraordinary legislation? Is it not on all fours with the little Bill we were discussing here the other day, that was to take away from the judges of our country the right of exercising any discretion in the administration of criminal law?' Surely Parliament should not take the position that it cannot do justice to the people because of a fool law passed at some other time. Therefore I held the view strongly, and I hold it still, that the measure of relief now proposed should not have come before Parliament as a separate Bill, but, being a measure of relief and not an obligation under the law, should have followed the channel through which all provisions for the public service come.

Just a word further in that connectionit is useless to go into it in detail, because the Bill is before us: If we look back over the history of Canada we will find that when emergency relief or compassionate allowance has been granted, it has always been included in the Estimates, or when an emergency has existed, has been granted by Governor General's warrant and has subsequently been placed in the Estimates and brought before Parliament. That was the thought in my mind -and I think it was common sense-when I intimated in the letter to Mr. Lee that perhaps it would be wise to suggest to the Government that the relief should be submitted to Parliament in that form. The Government has not seen fit to follow the suggestion made to it by the Committee, with which I concurred, and has brought the Bill before us as it is. I am one who would be glad to amend the Bill to the extent of compensating in full the small depositor of \$1,000 or \$1,500, and dividing the balance among the larger depositors. I think that the scores, and indeed hundreds, of cases of dire distress and poverty and suffering that have come to our knowledge during the last year and a half in connection with the Home Bank matter, would amply justify Parliament in differentiating along that line. But as the legislation has come before us in its present form in the last days of the Session, notwithstanding that this is the fifth month of sitting and that the Royal Commission long ago made its report. I hesitate to suggest a change in the Bill. I therefore heartily support the proposals the Government has laid before Parliament in this connection. I feel that Parliament is the people's final court of appeal and not a court of law to determine legal rights, and that it should be regarded as a temple of justice to defend the weak that the nation may grow strong. Particularly and peculiarly is it the function of the Senate, as has been frequently stated here by various honourable gentlemen, to safeguard the rights of minorities. Let us perform that duty.

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

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

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THE SENATE

Tuesday, June 16, 1925.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill D6, an Act for the relief of Lucy Eileen Johnston.—Hon. Mr. Blain.

Bill E6, an Act for the relief of Susan Ellen Taunton Love.—Hon. Mr. Blain.

Bill F6, an Act for the relief of Caroline Watters.—Hon. Mr. Blain.

Bill G6, an Act for the relief of Grace Wilhelmina Harrison.—Hon. G. V. White.

FIRST, SECOND AND THIRD READINGS

Bill H6, an Act for the relief of William Frederick Hamilton Strangway.—Hon. Mr. Pardee.

CANADIAN EXHIBITION TRAIN IN BRITAIN

INQUIRY AND DISCUSSION

Hon. C. P. BEAUBIEN rose in accordance with the following notice:

That he will call the attention of the Senate to the expediency of sending a Canadian Exhibition Train through Great Britain and will inquire what action the Government intends to take in the premises.

He said: Honourable gentlemen, I crave your patience for a few moments while I submit to the Government, through this Chamber and I hope with its authority, a suggestion which in my humble opinion it would be wise for them to adopt.

I had the privilege last Session of calling the attention of this House to the results accomplished by the Canadian Exhibition Train in France and Belgium in 1923. I do not intend to repeat what I said on that occasion, but I would like to add something to it. It was quite evident that the results accomplished then were very gratifying; the whole of France was deeply stirred at the effort made by Canada; every record of attendance was broken in every city throughout France where the train stopped; a great, deep and powerful current of sympathy carried the venture through its whole course, and the entire press of France, without one cent of expenditure by Canada, gave us 2,800 columns of its space, mainly in the great city of Paris. I need not tell you, honourable gentlemen, that money could not have purchased for Canada advertising so effective and so beneficial. There was an anxiety in this House, I am sure, as there

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was in my breast, lest that venture should be only a transient success, a noise the echo of which would soon be lost, and from which there would be no good, substantial and lasting results. Well, honourable gentlemen, I am very glad to be able to put before the House a comforting assurance on that score.

In 1922, prior to the passing through France of the Exhibition Train, Canada's exports to France were in round figures \$12,000,000; in 1923 they grew to \$17,000,000, and in 1924 they had grown still further to \$25,000,000. You will recollect that, just prior to the passing of the train through Belgium, Canada was losing rapidly in her exports to that country as compared with the previous year; but immediately after the train passed we began to register enormous increases. This is the history, written by statistics: in 1922, our exports to Belgium were \$12,000,000; in 1923, \$13,328,000; in 1924, \$19,675,000.

Now, I owe it to the House to explain the discrepancy between the figures shown in the Canadian statistics and those contained in the statistics of France. I was very much disturbed when I read that in another place an honourable member had contended that our exports to France had fallen off between 1923 and 1924. I made it a point to inquire into the situation; I wrote to France for the official statistics, which I now have. They show in detail exactly the quantity of goods which were received in France under preferential treatment from Canada. Armed with this information, I went over and saw the head statistician of Canada. I asked him what explanation he had to offer. In brief, his explanation was—I have it in my hand that even in our trade with the United States we cannot get figures to balance; that there is always a big discrepancy between our exports to the United States and their imports from Canada; and that it was not surprising that there should be discrepancies when two countries were separated, as are France and Canada, by 3,000 miles of distance, and when our goods are shipped through different ports to that country. All of which means that en though our Department of Statistics

extremely active—and I know of no more concise or better statistical work than the Year Book of Canada—it is to my mind the best publication of that character in the world—we do not know the country of ultimate destination to which our goods are going. Is there anything more important for us than to know the movement of our trade? Should we not be informed exactly as to the results which our efforts are attaining in certain directions as compared with others? Why does not the Government give instructions

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to its different departments to obtain from the shipper not only the name of the port to which his goods are shipped, but the name of the country of ultimate destination for those goods? If that were done, we would be in a position to judge whether a country that seeks to obtain a treaty with Canada deserves the concessions that it claims; and, by observing the progress accomplishing in certain countries, we would be in a better position to direct our own nationals with respect to foreign trade.

Well, there we have a discrepancy, the reason being, as I have stated, first, because the statistical department has not got the information from other departments which it should have, and, secondly, because wheat to the extent of 4,000,000 bushels might have been shipped to France by the United States through Canadian ports. If that is the case, the figures which I have quoted to you should be reduced by \$4,000,000, and, although I do not believe it to be so, yet I will reduce them by that amount.

However, as a ground for my argument, please consider the increases which in one country was from \$12,000,000 to \$17,000,000 and to \$20,000,000, and in the other country from \$12,000,000 to \$13,000,000 and to \$19,-000,000.

Now, honourable gentlemen, I pass to the immediate purpose of the resolution before the House. If any result at all could be ac-complished in France and Belgium, everycne will realize that it must have been accomplished in the face of the greatest possible obstacles. Why, there are people very close to me now who told me years ago that it was practically impossible to penetrate the French market, protected as it has always been. But. honourable gentlemen, the difficulties then were nothing as compared with the difficulties in 1923 when our exporters had to face a much increased French tariff and a franc which had fallen to one-quarter of its usual value. Can you understand what it means for a Canadian to sell his goods on the French market when, first of all, he has to pay a duty often over 100 per cent, and then has to go to the French purchaser and say to him: "My friend, I want you to pay me 400 per cent for this-for such is the effect of the depreciation of the franc to 5 cents." And still our trade has penetrated France and has grown-and why? Because, honourable gentlemen, the instrument used was a most effective one, and it is that instrument which, with your permission and authority, I am presenting to the Government with the request to them that they should make good use of it.

What are we doing for immigration? Not very long ago there was a lively debate on that subject in another place. The government is spending a very large amount of money every year on this service. I do not think I exaggerate when I say that we are spending more than \$3,000,000 a year for immigration, and that the railways combined spend an equal amount. That is \$6,000,000 taken from this country for immigration purposes, and you know what the result has been within the last years. Immigration is falling all the time. Last year we received fewer immigrants than we received the year before. and this year, forsooth, we are receiving less than 50 per cent of what we received last year. What is the method used to obtain immigrants? It is somewhat like the method used during the war, in what was called artillery preparation, when tons of shells were used to kill one man. What do they do? They prepare by advertising through every possible medium-I am speaking particularly of Great Britain-through the newspapers, through periodicals, in every way, before the agents are ordered out for the offensive. Then the agents have to try to ferret out the subjects which are suitable, and, as we are becoming more difficult to please in the matter of immigrants, of course the results of these efforts are constantly decreasing.

May I go to another service? What are we doing to extend Canada's trade? We are doing practically the same thing: we spend about \$50,000 in advertising, and we have our Trade Commissioners. In France we have one Trade Commissioner who represents every sort of business in Canada that can export anything. He represents all our exporters in a country of 38,000,000 people and does not even possess one sample or one pricelist. What do you think can be accomplished by equipment of this kind to increase the export trade of a country? In Breat Britain we have, I believe, five Trade Commissioners, -one in Ireland, one in Scotland, and three in England. And what do they do? A bit of advertising is done, but they have no samples and no price lists. The only thing they can do is to gather and transmit information and advice to Canada.

Now, I desire to submit to my honourable friend opposite the advisability of changing this. I am going to suggest to him to cut a little into his vote of \$3,000,000 for immigration, and into his vote for Trade and Commerce of \$350,000, and appropriate a very modest sum, to be used in this way. Instead of having all the newspapers and periodicals in Great Britain speak for us at so much a line, will he not have them speak for us for

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nothing? Instead of having one great exhibition like Wembley, which is of course doing excellent work in a way, will he not have an exhibition in every centre in Great Britain, at a fraction of the cost of Wembley? That is my proposition. Apply to Great Britain the formula of the Exhibition Train, and you will meet as favourable conditions there as they were adverse in France and Belgium. Let me explain.

Whom do you want as immigrants? My answer is, farmers. Well, are farmers very apt to look at newspapers? Are they, as a rule, tempted to look at printed advertisements? As you know, there is no other portion of the population so little interested by that kind of propaganda. Are the farmers who are ready to leave their country wealthy enough to go to Wembley? Are those the men that you can expect to settle in the West and become Canadians? No man quits his country unless he is obliged to do so, unless he is poor, unless he cannot there eke out for himself a satisfactory living. But if he is of that class, if he is poor, if he has no other opening, then he will bid good-bye to his old home and friends and turn his face to another country. That kind of man does not go to Wembley; he does not travel from the extremities of Great Britain, from the mountains of Scotland, or from the Green Isle to attend the Wembley exhibition; he has not the money to do that.

My proposition is to go to him; to go to every town in Great Britain, in Scotland, and in Ireland; to bring Canada to his doorstep. Do there what was done in France, and in every centre you will have crowds of 50,000 people at the same moment before your perambulating exhibition, displaying in brilliantly lighted show-cases not only the wealth of Canada, but good solid honest merchandise made by Canadian hands.

What would be the cost of such a plan? There, again, we can turn back and look at what we spent in the past. The full equipment will cost about \$150,000 for 30 cars, which will remain the property of the Government, to be used again in the ways I shall mention later. Fifty thousand dollars will suffice for the circuit through Great Britain, and at every stopping-place you will gather not only the inhabitants of the cities, but those of the surrounding country all of whom will on the screen admire the most alluring scenes of Canada. These films will strongly appeal to them and should they be susceptible of answering that call you will get them. In other words, you will go with a magnet to every centre of Great Britain, and that magnet

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will draw to it all desirable classes. Having done that once in Great Britain, you will not need to go back there for a whole generation, for every available and desirable subject will be reached. Of course you must choose only desirable stock, but all the desirable stock will be in a few months gathered, and the total cost will not exceed \$200,000.

We are now paying for immigration every year \$3,000,000 through the railways and another \$3,000,000 directly or a total of \$6,000,-A great proposition of that enormous 000. sum is spent in Great Britain, with very little result. But apart from immigration, you must not lose sight of the fact that Great Britain is our second largest client for the purchase of our goods. So, at the very same time as you show the British people this land of ours you exhibit to them also the whole scale of our industrial production. Nothing would be such a stimulant for trade, because you would travel through every square mile in Great Britain and touch every part of its population. To those people who have not travelled to Wembley or previous exhibitions, the features of Canada would be a revelation. The result would be that a great many people -indeed, many more than in France or Belgium-would call for Canadian goods, and our trade would increase by leaps and boundsmuch mcre rapidly than it has done in Belgium and France, because there is no obstacle in the way, Great Britain being a free trade country with a currency on parity, and its people being already accustomed to our goods.

One word more. The total cos[±], \$200,000, could easily be divided into four—the railways each contributing \$50,000, and Great Bri'ain would not hesitate to furnish \$50,000 from the amount of £3,000,000 already voted for emigration to Canada; which means that our Government would disburse but \$50,000 chirectly, and another \$50,000 through the National railway.

After its journey through Great Britain, the Government would still have the equipment, which they could use in many different ways. We are very rapidly developing our trade with Australia. Why not ship the cars with their display to Australia, send them through that country and give a vigorous impulse to our exports there? When that had been done in Australia, you might do the same thing in New Zealand. Another use for them which could be very profitable would be in the republic to the south of us, for the development of tourist trade. Eevery year we are receiving \$180,-000,000 from tourists; yet Canada is practically unknown to a great many of the people

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of that country. Why not send that train all through the United States, particularly those portions that are capable of sending tourists to us? We would thus see our tourist trade double in a year, and bring in to us \$400,-000,000 instead of \$200,000,000, and merely for the taking.

I trust the Government will seriously consider this matter. I have given it very serious thought myself, having witnessed with my own eyes our remarkable accomplishment in France and Belgium and the very substantial increase in our trade that has followed.

Just one last word. As the train would be proceeding through Great Britain, the mission accompanying it would comprise some of Canada's most gifted orators, who would address large and influential gatherings through Great Britain. They would vindicate Canada from the vicious attacks that have been directed against it during recent years. I can portray to myself the effect produced by speeches delivered by such men as the honourable leaders of this House or the right honourable junior member from Ottawa (Right Hon. Sir George E. Foster). At every stop they would call upon the English people to judge Canada by facts and figures and by results accomplished and show them that no better land exists in the world for the man who has a stout heart and is not afraid to work.

Hon. R. DANDURAND: Honourable gentlemen, I commend to my own colleagues and to the younger generation the courage. displayed by my honourable friend in the pursuit of an ideal and in the application of a scheme which originated in his own mind. I can still follow my honourable friend in his efforts, persisting from day to day in trying to win support for a plan which he had conceived when in Europe. He had been sent by the Government of Canada to accompany a commercial delegation-I think the choice was that of my right honourable friend from Ottawa (Right Hon. Sir George E. Foster). He went through France, and in going from town to town and from city to city he found that Canada and Canada's goods were unknown. He came back with the idea that our goods should be brought to the attention of the French population, and should be shown at their doors. He struggled from year to year, and succeeded in winning support from the French Government as well as from the Canadian Government. His idea was applied; the experiment was made. I crossed over, representing Canada, to attend the inauguration of the Canadian train at Havre. I saw it also in a couple of other places. The people of those cities flocked in thousands to see our Canadian goods. They were enthralled by the films which they saw in the evening. All through France there was intense curiosity to see the Canadian train, and all the authorities from one city to another welcomed the Canadian delegates, offering them official luncheons and dinners, and the press was full of incidents connected with their reception.

I was somewhat fearful as to the supreme test when the train should reach the metropolis of France-Paris. Through the efforts of my honourable friend, one of the best locations, the central spot of France, was secured, next to la Place de la Concorde, in the Garden of the Tuilleries, and it was amusing to see the thousands and tens of thousands of Parisians flocking to the Canadian exhibition. The admission was free. From the President of the Republic to the humblest labourer, hundreds of thousands of people wended their way thither in order to obtain the privilege of entering and looking at Canada as visualized in the dioramas. which were splendidly made. Those people returned full of enthusiasm and admiration for our grand country.

Now, if the heart of France, Paris, was thus enthralled, I am not surprised to find that throughout the whole of France all of the people who could reach the centres where our train went flocked to see it; and verily I believe that if we applied to Great Britain the system which was so successful in France it would yield formidable results. I may say to my honourable friend that I am heart and soul with his idea, and will try to bring my colleagues in the Cabinet, particularly the Ministers of Immigration and Trade and Commerce, to share my optimism.

HOME BANK DEPOSITORS RELIEF BILL

CORRECTION

On the Orders of the Day:

Hon. G. D. ROBERTSON: Honourable gentlemen, may I respectfully call the attention of the House to a somewhat important omission in the record of last evening's sitting? In the typesetting or some other process of preparing the record, the word "not" was left out, on page 526, and the omission entirely reverses the meaning that I intended to convey. I deem the matter important enough to call to the attention of the House. The sentence referred to reads as follows:

The Finance Minister of that day was in a delicate and difficult position, but he has stated frankly and honestly, as he always did—honest man as he has always been—that, no matter what the situation might

have been, he would have permitted the Home Bank, or any other bank, as I remember his words, to have failed at that time.

What I said was:

Would not have permitted the Home Bank, or any other bank, as I remember his words, to have failed at that time.

It being a matter of justice to the Ex-Minister of Finance, as well as a correction, I deem it advisable to bring it to the attention of the House, and I would like to have the correction made.

MOTION FOR SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada.

Hon, F. B. BLACK: Honourable gentlemen, in rising to give to this House, very briefly, a few reasons why in my opinion this Bill should not be passed by this House, I have little hope or expectation that I may be able to influence any members in this Chamber. If in March last I had been asked by any person on the street, or in this House, what fate such a Bill as this would be likely to meet, I would unhesitatingly have said: "I do not think that more than ten or fifteen members of the Senate would give it individual support. I doubt that there would be that many." It is to me surprising that during the last few weeks a great change has occurred in the attitude of many honourable members in this and in another Chamber. Appeals have been coming in to members, in sheaves of telegrams-I have received some myself-and scores of letters. Most skilful propaganda has been conducted by people who are interested-and with them I have no fault to find, because I have the utmost sympathy for the people who lost money by the failure of the Home Bank, as I have the utmost sympathy for all of the hundreds of thousands, even the millions, of people in Canada who lost money from the same cause, namely, that a state of war existed. But this propaganda has evidently had a great deal of success if I may judge by what appears to me to be a considerable change in sentiment. It is not on the part of the public. I believe that out of the nine millions of people we have in this Dominion there are 60,000 who are prejudiced; 60,000 people were depositors in the Home Bank, and those people want to get their money back. They would not be human if they did not. But all the rest of the nine millions are opposed to this proposition. If this is a matter of political expediency, and if either party or both parties play up to that idea, then either or both are going against what is in my judgment the wish of the people of this Dominion, and are voting for a principle which, to judge by the history of Canadian legislation, they will regret as long as they live, and which those who come after us will regret still more.

What is, briefly, the proposal in this Bill? It is to grant \$5,000,000 to compensate people who had deposits in the Home Bank. In the first place, where is the money to come from? Have we the money? Not one cent. We owe money. We are going behind \$50.000.000 or \$60,000,000 a year. Where are we going to get the money? We have to go out into the market place and borrow it, in order to pay it over to these 60,000 depositors. The result will be that we who are doing this now will not pay it. Who is going to pay the additional \$5,000,000 added to the public debt of this country? It will be payable for all time by our children who are coming after us. It is simply another piling up of this awful public debt which is staggering the country and stifling all its industry.

What is a bank? A bank is not a national institution. No bank is nationalized. A bank, after all, is simply a corporation authorized under the laws of Canada to do business in Canada for the purpose of making a profit. That, and that alone. It is true that these banks now operating in Canada are granted what may be called certain exclusive and particular privileges, for which they come under certain obligations; but, by and large, generally speaking, the banks of Canada are simply commercial institutions trading in money for their own benefit ,and for nothing else.

It has been claimed-not very logically, not very seriously, not very emphatically, so far as concerns any of the speeches that have been made in this House, or so far as I have been able to read speeches made in another place-that there were certain conditions connected with the Home Bank which imposed a duty upon the public. It has been said, in the first place, that the bank was not properly organized and the inspection of it was not properly carried out. I do not intend for one minute to enter into the arguments in the case. I may say that I have perused the evidence from A to Z, and have read it more than once; I have read the report from beginning to end, and have done so more than once; I have listened to the arguments, and have read the arguments. and I have yet to see or hear one sound, solid, convincing argument to prove that the public of Canada

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are liable for one cent to the Home Bank depositors.

I will grant you that this Home Bank was an evolution of what had been a savings company, or something of that nature, in Toronto, and it may be, and probably is, quite correct to say that there were irregularities in the building up of this bank; but I want to say still further that there is not a bank doing business in Canada to-day, nor has there been any organized since Confederation, that has not, knowingly or unknowingly, willingly or unwillingly, sidestepped the regulations under the Bank Act. In most cases it has been done unwittingly. I make this broad statement-and there is not in this House, nor at the head of a bank, anyone who will declare that it is not true-that there have been, on the part of every bank, omissions and commissions which are ccntrary to the Act and which would, if strictly followed up, put that bank out of business. With regard to justification in the law, or by precedent, I maintain that there has not been one iota of evidence produced that would warrant the public in giving one cent.

I- think it fair to assume that when the honourable gentleman who is the leader of the Government rises to defend a measure of this kind he will give some real, solid arguments. I sympathize with the honourable gentleman in his position, and I think everybody here sympathizes with him. There are certain times when the leader of a party has to defend Bills upon which, perhaps, if he were left entirely to his own opinion, his attitude might be entirely different. I always listen with the utmost respect, and generally with the greatest admiration, to the words which fall from the lips of my honourable friend the leader of the Government. Being particularly interested in this question, I listened yesterday with special attention to what he had to say. After boiling it all down and taking what I considered to be the meat of the argument, I concluded that there was one unfortunate omission, namely, that the directorate of the Home Bank did not take the precaution of puting over the door of each of their agencies this motto: "Every man who leaves his money in this bank deposits it at his own risk." Apparently if that had been done there would have been no reason whatever to come to Parliament and ask for a grant of money for the relief of the Home Bank. A little further on in his remarks, the honourable gentleman stated that if that were done, nobody would deposit money in any bank. Now, if that is the case, there is only one conclusion: we would have no

banks unless we nationalized them and conducted our banking system as we conduct our National railway system, and there would be probably just the same disastrous result to the Dominion.

Then, I did think that we might hear words of wisdom from the honourable member from Welland (Hon. Mr. Robertson), who sits on this side of the House; and I listened with just as much interest to his remarks as to those of my honourable friend opposite.

When you sift the whole argument in support of the payment of \$5,000,000 to the depositors of the Home Bank, after borrowing it from the Treasury, you will find it in this little nutshell: one organization in Montreal had \$30,000 deposited in the Home Bank. and another organization in Toronto had \$12,000 deposited in it, and because these happened to be railway organizations-one a street railway union and the other a union of steam railway employees-it was necessary, in order to keep them straight, to put our hands into the pockets of the rest of the people of Canada and steal \$5,000,000 and give it to the 60,000 depositors. I am rather surprised that an honourable gentleman will adduce an argument of that kind. While it is most regrettable that the two organizations for which he speaks had their money deposited in branches of this bank and lost it, vet I want to tell the honourable gentleman that there are sixty or seventy other organizations, of the same kind, who have their money deposited in other banks and have not lost it, and who will have to be mulcted-who will have money taken from them in order to repay these people.

Hon. Mr. ROBERTSON: May I ask my honourable friend to read the words to which he refers, and to show wherein he finds any such argument as he states was made? It is not contained within the four corners of my speech of last night.

Hon. Mr. BLACK: I have not the honourable gentleman's speech here.

Hon. Mr. ROBERTSON: Read it. Get it and read it.

Hon. Mr. BLACK: The honourable gentleman said that \$12,000 belonging to an organization of street railway employees in Toronto---

Hon. Mr. ROBERTSON: I ask my honourable friend to read what I said, if he asserts that I made that argument.

Hon. Mr. BLACK: I have not the text, but—subject to any contradiction my honourable friend may wish to make—I have stated the facts, which were to me the basis of his argument—at least, the gist and cream of the argument. That kind of thing does not justify this House in contributing a single cent towards the Home Bank depositors.

Then there is the matter of precedents. To one precedent mentioned by the honourable gentleman who leads the Government in this House I will make only a brief reference, because any person who knows about the operations of the army agents, Messrs. Cox and McGrigor, knows very well that they are not organized on the same basis as the Canadian banks and that they do not function as do the Canadian banks; that, so far as grants from the War Department and the Navy are concerned, they were to pay in part money that had been deposited by the Pay Branches of the Army and Navy Departments to the credit of officers, largely officers serving overseas, and to persons who were dependent on this money in those particular banks. These organizations are not analogous to our banks. The object to be met by this particular grant of 10 shillings in the pound would not in any case, according to my judgment, be analogous to the case in point.

There is, however, an analogous case in the application made to this House in June, 1914, for a grant to compensate certain stockholders in the Farmers' Bank. I want to recommend to every honourable member of this House the interesting reading on this subject to be found in the Debates of the Senate for 1914. There are present in this House to-day a considerable number of members who took part in that discussion and voted on the question. some for and some against. The proposition at that time was that \$1,200,000 be voted from the public revenues of Canada for assistance to the Farmers' Bank. That was, after all, a compassionate plea. The present plea is a compassionate plea and nothing else. The proposal of 1914 was made when the revenues of Canada were in splendid condition and were increasing year by year-when we had almost no debt whatever-when we could have paid \$1,200,000 out of ordinary revenue without ever noticing it. Yet on that occasion this House turned down the proposition by a vote of 32 against relief for the Farmers' Bank and 25 for it. The question was not a political one at all. Nor is the question of to-day a political matter. The line-up on that occasion in 1914 was 19 Liberals against relief and 14 Liberals for relief, and a similar proportion on the opposite side-13 Conservatives against and 11 Conservatives for. You will find that there was, in proportion to the number of honourable members who voted, about an even division on both sides.

Now, honourable gentlemen, to consider the matter on compassionate grounds. This House refused a similar plea from the Farmers' Bank in 1914, when we had but little debtwhen we had revenue enough to pay the money out of our ordinary resources without borrowing a cent. And now, in 1925, when our factories are closing, when our farmers and other residents are leaving the country and crossing the border to the United States, when our business is drying up and our debt is mounting millions upon millions every year, the Government has the audacity to come to Parliament and ask us to take from the wage-earners and the taxpayers of this upon country an additional \$5,000,000, which, so far as I can see, they will have to pay the interest for all time to come.

The whole plea is, after all, on compassion-That is very clear from the ate grounds. argument of my honourable friend from Welland (Hon. Mr. Robertson). It is not perhaps so emphatically stated by the honourable gentleman who leads the Government in this House. In my view of this questionand, bear in mind, I speak only for myself -I cannot see how any man, sitting in this House or in another Chamber, can bring his mental attitude to a point where he is willing to vote these \$5,000,000 unless at the same time he is willing and prepared to vote relief to every individual or firm in Canada who lost money directly because of the war. Now, who lost by it? Let me give a very clear illustration. How about the sugar refineries? In my view, they are not a bit more worthy of consideration, nor have they stronger grounds for requesting compensation for loss. than the thousands of others whom I will mention; but directly on the advice of the Government they bought sugar at high prices and stored it, and they were not allowed to move it out or to sell it. That was a war When Armistice Day came, down measure. went the price of sugar. Who suffered the loss? The men who had their stock in the sugar refineries of Canada. They did that directly on the advice of the Government of the day. There is not a depositor in the Home Bank anywhere who put his money in that bank at the request or advice or by the intimidation of the Government. There is not one line of argument that leads to this Parliament. A man put his money in that bank because he thought it was a safer place to put it than in his stockings or the bureau drawer in his own home. If the bank had not failed the money would be there yet, and I maintain that he has not as good a claim on the public of this country as have those Ron. Mr, BLACK.

people who lost money by the enormous drop in sugar immediately after the war.

Who else is there? What happened to the farming population of this country in 1917 and 1918? Why are our farmers leaving the Province of Quebec and the Maritime Provinces and, as far as I know, other Provinces? I know very well, because I am a farmer too, and I came home from overseas in 1917. A steady stream of propaganda was going out from Ottawa to "produce, produce, produce; raise grain, raise beef, make butter, raise sheep, produce foods to keep the country alive and to help our allies in Europe fight the war "-a straight appeal from the Government to produce. What was the result? The result was that every farmer in the country turned over more sod to put into cultivation fields which never, under normal conditions, should have been put into cultivation; to raise calves and fatten beef, which never should have been done. The farmer went into the pig-raising business when he was not properly placed to do it, when he was not near an abattoir, and had not, in ordinary times, a chance of coming out even -and why? Because a war situation existed in this country, and because the Government of the day-and wisely so-I am not finding fault with it for that-urged him to produce as did the Government of Great Britain the farmer there, and the urge swept him along with the result that when the war ceased wheat went down \$1 a bushel, hay went down \$9 a ton, beef on the hoof went down from 12 cents a pound in the Maritime Provinces to $4\frac{1}{2}$ cents a pound. Every article that the farmer produced dropped to such an extent that he could not possibly sell it for more than 50 per cent of what it had cost him to produce it. Every farmer who was producing to any extent employed help, and, instead of paying about \$1 a day and board, as he had done before, he paid \$3, \$4, and \$5 a day. If he wanted a mowing machine which in 1912 cost \$45, in 1916 or 1917 he had to pay \$85 for it; if he wanted to buy a harrow, which ordinarily cost \$14 before the war, he paid \$28 or \$29 or \$30 or \$40 for it, according to the particular type that he bought. The result was that the farmers of the country found themselves with all this produce in process of production; you cannot make a cow or a steer or a pig fit for market in a day, and you can only produce a crop as God's sunlight shines on it and as the rain falls; and the result was that our farmers were paralyzed. I know of farmer after farmer who in 1914 and 1915 was prosperous and making money, who had \$2,000 or \$3,000 or \$4,000 or upwards on deposit in our banksI could give the name, day and date—and who, in 1921, had not a cent left. And many of them have had to put a plaster on their farms in the shape of mortgages in order to live and keep and educate their children.

Figures were read here recently by the honourable gentleman from Montarville (Hon. Mr. Beaubien) regarding people who had left this country. I venture to say that those people who are leaving and who have left, according to the statement that he brought forward, would never have left if the same conditions existed in Canada which existed Why should not the previous to the war. farmers receive remuneration if you are going to remunerate the people who lost money in the Home Bank? I am not making any charge against the people who deposited their money in the Home Bank, but I am trying to see how we are to justify taking money from one person and giving it to another. The people on whom this country has to depend for its development and growth are the pioneers. The history of civilization and progress proves absolutely that, first, you have the farmer, then you get the business man, then the manufacturer. Always the others follow the farmer. The producer, the cultivator of the soil, is the foundation of every country. The first men who came to America were tillers of the soil. We did not have a factory on the whole Atlantic coast until we had many farmers clearing out the wilderness and building up their farms. The farmer, the trader, and then the factory: that is what we have to have in Canada. But we are driving out the farmer, business is drying up, and as it dries up manufacturing establishments are being closed. So much for the farmer.

Here is another statement which may interest you. More than 7,000 business houses and firms in Canada went out of business because of the war and war conditions. I do not say that the Government is responsible, and Parliament is not responsible for the Home Bank. It is not responsible, either, for the loss of the farmers. It used its best judgment and did its best under extreme conditions. The war upset the whole progress of civilization, and introduced new conditions which had to be met as best they could. But one restriction is imposed upon us, namely, that we are not to remunerate one group unless we remunerate all. If we are to establish the principle of remunerating a few, then, to be decent and generous and honest and straightforward about it, we have to go further. We cannot put back into operation the thousands of factories that have closed since 1918; we cannot put under cultivation the

farms that have been abandoned; but we certainly would be bound to examine the cases thoroughly and to hear the evidence, and to determine if this factory or that farm failed because of the war and if we so determined, if we passed this Bill we would be in duty bound to remunerate those people.

Let me take another class. I want to refer to the returned men who came back from overseas. The problem that we had to face was. what are we going to do with these thousands of young men who went to the war two or three or four years ago and who were thrown out of their regular channelstaken away from their educational courses, out of the office or the factory, or off the farm, the tenor of whose lives were changed, and who have come back unfitted for their previous positions in life? In the wisdom of the best minds of the country it was decided that we would as far as possible give those men opportunities to go on the farm. Further than that, it was decided that we would give them every opportunity on the farm to live and make money and rear their The result of that was that families. thousands of men went on farms from Prince Edward Island to British Columbia; but few were able to stick it. They were charged with those farms at the prices which prevailed Noat the peak of land values in Canada. body is to blame for that, but it is history. They were charged \$100 an acre for land that would not to-day sell for more than \$10 an acre. I know of farms which were valued at \$18 an acre, and which could have been sold to others than the Soldier Settlement Board; they had buildings on them and \$18 an acre looked like a mere bagatelle. To-day I can buy those farms for \$5 an acre, and would not give that, because I consider that I would have to wait another 20 years to get my \$5 back. Those men had to buy horses at $2\frac{1}{2}$ times the pre-war prices of horses, and they had to buy implements at the same rate. Everything those men required they had to buy at peak prices. All that was done in good faith by the Government on behalf of the country on the one hand, and in good faith by the soldiers on the other. It is true that some measure of relief has been given to those men; but, honourable gentlemen, if we decide that we are going to borrow \$5,000,-000 and hand back to the depositors in the Home Bank 50 per cent or 60 per cent or 75 per cent of their losses, then I say there is an increased obligation upon us to take up the case of each and every soldier and see that he is put back in as good a position and is as well supplied as he would have been had he gone on the farm and bought his live stock and implements in 1914. I cannot see by any possibility how any member of this House can put any other interpretation upon the facts. I cannot see how any man here can justify giving remuneration to the depositor of any bank in Canada which fails because of war conditions unless he is prepared to reimburse every man in every line of activity who lost money because of the war conditions which made it inevitable that he should lose money.

I hope, honourable gentlemen, that before a vote is taken on this matter the members of this House will realize that the people of Canada look to the Senate of Canada to safeguard their interests. It is true that in another place, an elective body, there must be of necessity more susceptibility to these little political currents which drift in from outside; and on the eve of an election it is natural, perhaps, that a man might be almost stampeded when he feels that within a few months he may have to go back to the people and say why he did thus and so. But, as I said before, we do not have to go back for re-election; we are in a position more calmly and judicially to review questions of this kind and we ought not to be subject to influences of that kind. I have been in this Chamber only a very short time; I have appreciated being here since I came, and I have felt that every question that came before this august body was treated on its merits, and that the first principle in the minds of honourable gentlemen in this Chamber is that matters should be disposed of on their merits, and that our first duty was to serve the country whom we represent rather than to serve party or political interests. If I understand correctly public sentiment, I believe this Chamber in the past three years has risen very high in the estimation of thinking people of the Dominion of Canada. I believe it stands very much higher than it did because of the various safeguards it has placed about legislation-safeguards which have saved a very large amount of money to this country. T think further, honourable gentlemen, that if we go back on those principles which we have established and become participants in taking out of the treasury, which is almost empty, an additional \$5,000,000, we shall merit just what the public will say about us-and we shall get it; make no mistake about that. Our debts are mounting, and none of us knows what will be the final straw to break the back; and, instead of placing mottoes over the entrances of banks to tell people what they should do, if this class of legislation goes through we had better write across the gateways of Canada Hon. Mr, BLACK.

that quotation from Dante: "All hope abandon, ye who enter here."

Hon. G. G. FOSTER: Honourable gentlemen, as there does not seem to be anyone else ready to discuss the question which is before the House, I would crave your patience for a few moments while I explain to the members of this House and the people of this country why I am going to vote in the way that I am upon this bill. The Bill provides for the payment of \$5,450,000 from the pockets of the people of this country for a debt which, according to the statement of the leader of the Government, this country does not owe. If that statement is true, as I believe it is, I think that every member of this Chamber should pause well before he gives away from the people of Canada a sum of money which is great in itself, and which when the principle which underlies the Bill is conceded, may lead this country, in days to come, to great and unknown difficulties and financial loss.

I yield to no man in this Chamber, or anywhere else, in my regret that the depositors of the Home Bank have lost money; but they have suffered because the Bank management and directors selected by the shareholders conducted that institution in such a way as to ruin it. I do not believe that I am called upon simply because of that misfortune, or permitted under the oath I have taken in this House, to take money from the people of Canada and give it to others who have been unfortunate. This Chamber is not a charitable institution. We were never sent here to distribute money in gifts to the people of this country or anybody else. We were sent here to pay the debts of this country, to govern and protect its interests, and discharge its obligations, wherever they may appear; and unless it can be proved and shown to me, as has not yet been done, that we are under some kind of obligation to those people, I am not going to vote in favour of this Bill.

It has been said in the press, and intimated by speakers here, and paraded in every letter and circular and telegram that I have received, that this country is under some sort of moral obligation because of the attitude of a former Minister of Finance, Sir Thomas White, in dealing with this matter. I have no mandate from that Minister of Finance to defend his actions on this question, although he was my friend and my political leader, and although I had and still have the greatest confidence in him. There is no necessity to defend him; there is no need for me to say anything except this; that if the leader of this House, or any man on this side of the House, had been in the place of the Finance Minister

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he would not have done anything other than what Sir Thomas White did. Did Sir Thomas White act as he did solely and only because the country was at war? Did he do it because the banks of this country were in danger? Did he do it because if he had not done it Canada would have been ruined in its financial situation? No; he tock the precautions that a brave man, a big man, a man who understood the finances of Canada, would have taken. He took the advice of the best lawyer. He took the advice of the man in the western country who knew best about this bank, and, believing in Mr. Thomas Crerar and in Mr. Z. A. Lash, as I do, I say that Sir Thomas did all that was necessary when he listened to and believed what they told him-when they said that the interests of the bank at that time were safe, and that they hoped and believed that it would still pull through.

Use has been made of the fact that Sir Thomas White said that he did not want any bank to fail. Is there any man in Canada who does not know that he did not want them to fail? Those of us who have sat on the boards of banks, as I have done, know something of the terrible strain we went through during the war; but no disaster happened, and one reason was that at that time we had a brave Minister of Finance, who protected not only one bank, but every bank in this Dominion. If the banks in Canada were able to weather the storm during the days and years of war it was due to that splendid Minister, at whom it is a shame for newspapers and political opponents, and sometimes political friends, to cast one slur by reason of anything he did or did not do for the Home Bank. There is not one line on the record of the Commission or anywhere else that makes me think that the Minister of Finance did anything to incur any liability on the part of the people of this country towards the depositors of the Home Bank, and I therefore decline to accept any responsibility.

Honourable gentlemen, I do not believe that it is necessary for the people of Canada to put up \$5,450,000 to save any condition that has arisen out of the failure of that bank. I know of men who had \$4,000 or \$5,000 deposited in the Home Bank, who under this Bill will be treated just exactly as some poor washerwoman who may have had a few dollars in the bank and to whom we are asked to give charity. I know of men in this country who had thousands of dollars in the Home Bank, who propose to start out with the help of Parliament to loot the treasury of this country, when there is no reason why they should have a cent.

If the Government had a proper vision of what should have been done they would not have formulated this Bill and put it as they did upside down. It may be that there are people who had deposits in that bank, and thus suffered loss, who might well be assisted to a certain degree as pure charity, but that does not apply to any except a mighty small minority both in number and amount. The statement was made by the honourable Senator from Welland (Hon. Mr. Robertson) that thousands of members of his organizations had many thousands of dollars deposited; but if he would take a pencil and divide up this fund coming to them, he would see how many cents apiece those men would get. When the honourable gentleman talks about the wailing and groaning by the people that compose that organization, I do not agree with him that there is going to be such suffering by the people he represents or of this country as he would lead us to believe.

Honourable gentlemen, I do not believe the people of Canada will agree with the Senate if they concur in this disposition of the large sum that is proposed. I do not believe that it is fair, right or proper for the Senate to agree to the resolution that is proposed in this Bill. If no other member is going to speak I would humbly move:

That this Bill be not now read, but that it be adjourned for six months.

By that time I hope the Government and the people who are responsible for this resolution will have been able to consider some course that will not create a precedent that may have the serious effect on the future legislation of Canada that this Bill may have if it passes.

Hon. Sir JAMES LOUGHEED: I think I should not allow this discussion to close without giving expression to some views which I hold upon the subject now before us. I have no apologies to offer in speaking in support of this Bill, inasmuch as on a former occasion, in June, 1914, the important responsibility rested upon my shoulders of presenting to this House a similar Bill in connection with the Farmers' Bank. The Government of that day, apparently, must have viewed the situation in the same manner as the Government of to-day has viewed the Home Bank. The Bill did not meet with acceptance in this House, but was defeated by a very small majority. It therefore cannot be said that there is no precedent for the Bill now before us. In fact, we are not confined to the Farmers' Bank Bill of 1914; but the Government of Canada at the time of Confederation assumed the responsibility of dealing with the affairs of the Bank of Upper Canada, and of winding up that institution and meeting its obligations.

The same remarks apply to the Exchange Bank in the eighties. At that time the Government of the day assumed the responsibility of paying the depositors. The Government of 1914 therefore felt confident in presenting the Farmers Bank Bill to Parliament, and likewise I assume the Government of to-day feel confident in presenting this Bill for the support of Parliament.

When I speak of Parliament I use a term which some honourable gentlemen seem to think represents an institution with arbitrary principles of rigidity and inelasticity which cannot be deviated from. But I know of no institution in society so elastic as that of Parliament. After all, Parliament simply means a gathering of the people of Canada, represented by those whom they select, and who may express the wish of the public at large; and no one can say nay to Parliament. They are a law to themselves. They undo to-day what they did yesterday. They can make a crime to-day out of what was not immoral yesterday. They can give freedom to-day where there was tyranny vesterday. And why should it be said that Parliament should not do this, and should not do that, and should not do the other, inasmuch as it represents practically a gathering of the people who take certain action in regard to a given state of facts?

Take, for instance, the case before us. Parliament has apparently concluded that the facts presented by the Government of the day touching the failure of the Home Bank, which was a national disaster, constitutes such a state of things as to warrant intervention. Is there anything unreasonable in that? Is there anything more unreasonable in Parliament considering, from a compassionate standpoint, the distress, destitution and poverty which have been created by the loss of those 60,000 depositors, and of making a vote of a similar amount for some unrequired public work for the purpose of satisfying the electors of a particular district? Is there anything more unreasonable in the one than in the other? Why, honourable gentlemen, I could point out now, with some advantage, the fact that this vote is very much more meritorious than many votes than have been passed by Parliament during the present Session.

It may be said that this is but an expedient. After all, I know of no action of Parliament that is not an expedient. I venture to say that no measure is submitted Hon. Sir JAMES LOUGHEED. to Parliament, no vote is dealt with by Parliament, that does not originate in expediency; and why should it be said that this, being a measure of expediency, must therefore be condemned? Is it inexpedient that Parliament should consider the cry of 60,000 people that the loss which they sustained in the failure of this bank should be relieved from the poverty and distress incident thereto? It seems to me that a subject of this kind is one that should merit the best attention of the Parliament of any nation.

Then, I would point out to my honourable friends, more particularly those who come from a point east of the western limit of Quebec, that the majority of the people of Canada who suffered in this national disaster live west of Quebec, and that they are almost a unit in asking the Government for relief. It is not unreasonable that I should say to those gentlemen who live east of Quebec, and who may not have come in close contact with the victims of this great loss, that they should view it from the same standpoint as those of us who live in the community of those who have been sufferers through this unfortunate event.

This may be said to be a compassionate allowance, and it is a compassionate measure. It is deservedly of a compassionate nature, and I fail to understand why the mind of the Government to-day should not be understood by those who adversely criticize the Bill by reason of the fact of pressure which has been brought to bear upon them through organizations of the depositors which, I may say, have had more ramifications and more influence than any organization I have known of in connection with a matter of this kind. These have been brought to bear on the Government in impressing on their minds that this is a subject which demands attention. There is not an honourable gentleman in this House but is familiar with the fact that day after day, week after week, month after month, those organizations have conducted a propaganda in the public press, on the platform and elsewhere, which necessarily must have reflected itself upon the Government of the day, and the Government cannot close its ears to the demands or requirements of the people. The Government of the day is there for that purpose, to listen to the representations that may be made by the public, and to give attention accordingly.

I cannot say that there was a legal obligation upon the Government. In a sense there is no legal obligation upon a Government. A Government is the most dominant power in

the state. It can absolve itself at any time from responsibility, but it occasionally accepts responsibility. It is not urged in this case that there was legal responsibility on the part of the Government to make good those deposits; yet how often in everyday life do we not insist on legal responsibility in dealing with our fellow man? We accord to him the right to our best consideration as to whether we shall entertain the claim which he may have against us, notwithstanding the fact that he could not enforce it in law. There are comparatively very few matters that come before a Government in which there can be said to be a legal responsibility on its part. The Government may exercise its discretion in matters in which there may be no legal responsibility, or in matters in which there may be a moral or equitable responsibility, and it is the duty of the Government of the day, as it is of the Government of any country, to give every consideration to moral claims as well as to those that constitute legal claims.

I am not prepared to absolve this Government, nor the preceding Government, nor the Government preceding that, from the responsibility which it had to the public in connection with the banking institutions of this country. So long as I have been in Parliament I have heard demands made for a proper system of inspection; and yet, until the situation was so accentuated by the disaster which took place in 1923 in connection with the Home Bank, no consideration was given to the appointment of a proper inspectorate. Since that disaster we have been given a system of inspection whereby a repetition of what has taken place would be, I venture to say, impossible. 'If previous Governments could have saved that situation by placing upon the Statute Book proper safeguards for the depositors who have millions and millions of dollars in our banks, is the Government of this country absolved entirely from responsibility in view of its failure to establish proper safeguards for the protection of depositors?

I say, furthermore, that from 1903, when this bank was established, until 1923, it was a festering sore. What really surprised me was that the different banks of the country, as well as persons who were more or less familiar with the unfortunate state of affairs which prevailed in that bank, did not insist upon the Government of the day, no matter what Government it was, intervening and thus saving the situation. Up to the advent of the Borden Government in 1911 it was well known that this bank had taken over the assets of

the Home Savings and Loan Company, assets which could not be taken over under the Bank Act. This was a direct violation of the Bank Act which threatened the Bank's solvency and finally resulted in its wreckage. The Government of that day did not intervene. By a proper system of inspection the Government of that day would have become aware of the bank having assumed responsibility for transactions in violation of the Bank Act.

The succeeding Government had some attention directed to the unfortunate condition of affairs, by three of the bank's Western directors, Messrs. Crerar, Persse and Kennedy, visiting the Minister of Finance and pointing out its unsatisfactory situation. Yet Sir Thomas White, who was then Minister of Finance, was not allowed to intervene in its They said: "Notwithstanding our affairs. directing your attention to the conditions of to-day, we think we can rectify these affairs ourselves;" and we find Mr. Crerar going out to the Pacific Coast and Mr. Haney down to New Orleans, inspecting the doubtful securities which threatened the solvency of the bank, and coming back and expressing their satisfaction, and reorganizing the internal affairs of the bank, and assuring Sir Thomas White that everything would be lovely from that time on.

Another Government came into power in 1921. Can it be said that that Government is entirely absolved from all responsibility? Why, the condition of affairs at that time was worse than ever, and was a matter of public notoriety and of discussion on the streets. Yet there was no intervention. Under those circumstances can it be said that the Government of the country is free of all responsibility? I absolve it of legal responsibility, but is it not morally responsible in view of the situation which I have briefly outlined? I venture to say that if there has been a moral responsibility on the part of a Government to reimburse shareholders of a defunct bank, it is in this case which we are considering to-day.

It is unnecessary for me to occupy any further time except to say, honourable gentlemen, in view of the fact that I introduced a somewhat similar Bill in 1914, and being more or less in contact with the results of this failure, and having a deep sympathy for the depositors, I am very glad to support the Bill.

Hon. R. DANDURAND: I rise to answer, in a few words, the remarks of my honourable and esteemed friend the member for Alma (Hon. G. G. Foster). He has expressed his admiration for the Minister of Finance who was directing the operations of the Finance Department during the war. The honourable member has stated that the Minister decided that our whole financial fabric should stand if in any way he could help it. To repeat the expression of my honourable friend. the Minister stood behind the banks manfully in order that Canada might do its full duty during the war. I remember that period. I know how very anxious we all were lest some weakness might appear in our financial institutions. My honourable friend remembers that on the very morrow of the declaration of war we decided that the Stock Exchange should close. We were bound to protect the public and protect the financial institutions against the speculator and the pessimist. who were rampant in the streets of our large cities. We did all that. The Minister of Finance knew the situation. He declared himself ready to back up all our financial institutions. The Finance Act was passed. It was a forward step in the defence of our financial system. Under that Act the Banks, if they were hard pressed or cornered, did not need to turn to their brother bankers in order to obtain credit upon their own assets: they could come to the Government and obtain support by producing the best they had in their vaults.

All this was admirably done and we passed through the terrible crisis without our financial institutions being in the least weakened. Now, a few years after the closing of that chapter, when we congratulate ourselves upon what we accomplished, we find that there was one institution which, but for the war, would have been closely investigated in 1916 and forced to cease operations. We find that a certain measure of protection would have been afforded to the depositors at the time, and it would have safeguarded all who made deposits between 1916 and 1923. For the reasons which I have mentioned-and probably it was the principal reason which prevented the Minister of Finance from investigating that severe indictment which was made against the institution-we come before the Parliament of Canada and we say: "The only price Canada has to pay for the splendid resistance which we showed during the war is \$5,450,000." Surely this is a small sum, and we ought to pay it without hesitation. Therefore I trust that the amendment will be rejected and the Bill will be given its second reading.

I desire now simply to point out to my honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) an error which he made, Hon. Mr. DANDURAND. unwittingly, when he stated in his speech of yesterday that the report of the House of Commons Committee suggested that there should be full reimbursement to the depositors.

Hon. Mr. ROBERTSON: The Committee of 1924-yes.

Hon. Mr. DANDURAND: Last year?

Hon. Mr. ROBERTSON: The Banking and Commerce Committee of 1924.

Hon. Mr. DANDURAND: No, my honourable friend is in error. I have read the conclusions in that Committee's report, and they are included in my speech. They contain nothing of the kind—not a word. My honourable friend is in error, and I think that, now that his attention is drawn to it, he will see that he was misled into reading some other document than that which he thought he was quoting.

Hon. Mr. ROBERTSON: The statement that I made in the House last night was quoted from the record of speeches made in another place, and therefore I assumed that it was authentic.

Hon. Mr. DANDURAND: Of course, I am not responsible for those speeches. Although I spent all Saturday afternoon and Sunday reading speeches made in another place, I did not see that statement. If my honourable friend will refer to page xiii he will see under the heading of "Eleventh Report" that the only part bearing upon this question is contained in this paragraph:

Your Committee consider that the facts brought out in the Interim Report submitted by Mr. Chief Justice McKeown, and the evidence therein referred to, establsh that the depositors of the Home Bank have a moral claim in equity for compensation by the country on account of any loss they may suffer by reason of the failure of the Home Bank.

Hon. Mr. ROBERTSON: That is exactly what I said.

Hon, Mr. DANDURAND: No.

Hon. Mr. ROBERTSON: "Compensation for any loss." That includes all their loss, surely.

Hon. Mr. DANDURAND: But as to the extent of the compensation there was no pronouncement.

Hon. Mr. ROBERTSON: "For any loss," it says, My honourable friend's words just bear that out.

Hon. Mr. DANDURAND: But there enters the question of the amount of compensation. I may say that I have before me a statement of the official representatives of

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the depositors, who declare themselves perfectly satisfied to accept as a final payment the 35 per cent that is offered.

Hon. Mr. BEAUBIEN: Will the honourable gentleman give me a little information with regard to the evidence? I submit that I started in to study it, but it is extremely bulky, and I confess I have been unable to obtain an intelligent grasp of it. Any honourable gentleman in this House who has tried will probably bear me out. I would like to know from my honourable friend, who has studied it, whether in Hon. Mr. White's statement there is any remark that by reason of the war he has done anything which otherwise he would have left undone, or has omitted to do anything that otherwise he would have done, for the protection of the depositors.

Hon. Mr. DANDURAND: Without looking at the text I may say that Sir Thomas White gave a rather lengthy statement. He explained how difficult it is for a Minister to get behind the official facts and information brought before him, in order to be able really to test them. He gave his own impressions as to the limitations of public men facing a situation such as that which presented itself. He certainly emphasized the fact that in considering a particular condition one must examine it with reference to the whole existing situation, and must not lose sight of the effect which his decision will have upon the body politic. He added that if it was a very serious matter in time of peace to decide on taking the responsibility of sending a special auditor to a financial institution, it was doubly serious in time of war. One must draw one's own conclusions from the statement of Sir Thomas White. It is quite difficult to say to what extent the conditions influenced him in taking the action which he took at the time.

Hon. RUFUS H. POPE: Honourable gentlemen, a few moments, please. I do not feel inclined to give a silent vote on this occasion, though I do not think that any remarks of mine will have a bearing on the result. I have listened to the honourable leaders on both sides of this House describe the situation during the war-the exigencies of the moment, the crucial position in which we were placed at that time, the uncertainty as to the termination of the war, and the obligations that we would have to assume, and did assume, in connection with the war. Those considerations do not appeal to me to-day in regard to the action that we are bound to take on this occasion. If the financial obligations that have fallen upon us as a result of

our participation in the war are embarrassing to Canada and the welfare of this country, this fact should have a greater bearing upon our action in this matter than the reference to any Finance Minister of days gone by.

Precedents that were established when our credit was good, when our responsibilities were small, and our obligations were not of such a tremendous character as they are to-day, I can well understand the men of that time sitting in this House or in another place, assuming the responsibility of granting com-pensation to people who apparently had a moral claim upon the Government of the day. and of feeling in a generous mood with those people. I do not think the present honourable members of this House are less disposed to be generous than those who have preceded them, but we must face and realize the serious position in which the country finds itself at the moment. If we open the door to any one who comes along with a good story and asks for compensation, it is hard to see who will close it.

I have been told from different sides of politics that there is a political issue in this matter-that there is a dependence upon votes for one party or the other. So far as I am concerned, I do not sympathize with that argument. I do not approve of men in this place, or another place, dividing on party lines on an issue of this character, regarding the responsibility of banks and the responsibility of the Government, who issue charters to banks and give them the privilege of doing the financial business of the nation, and give the man in the street to understand that his investment is as safe as the bank. We have all been taught that from childhood up. "As safe as the bank" is a familiar expression.

I sincerely sympathize with the poor people who innocently or ignorantly deposited their money in a bank such as this, which was chartered by the Government, and whose charter was an invitation for people to deposit their money there. If this measure had been drafted so to deal with the small depositors, who are suffering from having been misled by their confidence in various Governments into depositing their money; and if there had been some limit to the amount of compensation we should pay, it would have appealed to me, even under the present financial condition of Canada. But if we are to accept all the recommendations of Governments or of the people-\$5,000,000 here and \$5,000,000 there, and \$5,000,000 in another place-then I say that if this House desires to represent the independent thought of the Dominion of Canada, irrespective of political

parties, honourable gentlemen will hesitate more than once before they vote \$5,000,000 here or there or in another place. The time has arrived when some independent body, such as the Senate of Canada, should take a stand irrespective of popularity, irrespective of charity or benevolence, and be prepared to stand for what is necessary for the welfare of the Dominion and for the restoration of our finances to a condition that will be creditable to Canada. For these reasons I think we can afford to wait at least six months before we take this vote, and I am going to support the amendment.

Hon. Mr. DANDURAND: Would the honourable the Speaker allow me to give a statement of Sir Thomas White on the very question which was put to me by the honourable gentleman from Montarville (Hon. Mr. Beaubien)? I yesterday cited quite a number of remarks made by Sir Thomas White, but I think I was fairly judging the situation when I gave the answer to my honourable friend:

At pages 381 and 382, at the end of Sir Thomas White's evidence in reply to His Lordship, the Commissioner, who asked him how far the fact that we were at war at the time of this transaction operated on his mind in coming to a conclusion as to what would be the best thing to do, Sir Thomas said, "I will be very glad to answer your Lordship and I am glad you raised the question, because I should not have raised it myself. I would say this, that it is impossible for a man to say what brought about the state of mind at a certain time, but without any question a man who is, so to speak, riding the financial storm of war, would be influenced to a certain extent in his judgment, as to the danger of taking a certain course, probably more than he would at a time of profound peace. I am not conscious that I was influenced by the conditions that existed at that time, but I am not prepared to say that they were not a factor in determining whether a certain course should be pursued or a certain other course pursued.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I regret very much that I am obliged to ask the indulgence of the Senate. I have not a very long speech to make, but I do not feel in a position to stand on my feet and say what I would like to say this afternoon, and I therefore ask the Senate for leave to move the adjournment of the debate.

Some Hon. SENATORS: No, no.

Hon. Mr. SCHAFFNER: We have been at it long enough.

Right Hon. Sir GEORGE E. FOSTER: The debate is probably long enough. I do not often make a request of the Senate which is unreasonable. If the Senate insists, I shall try to go on; there is other business ready, and there is no reason why this might not be put over. At all events, I would like the Senate to grant me that favour.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: If my honourable friend is not ready to proceed this afternoon, would he not be willing to speak on the third reading, if the Bill goes to the third reading? We may or may not go into Committee to-day. If we do not go into Committee until to-morrow, my honourable friend can speak either in Committee or on the third reading.

Right Hon. Sir GEORGE E. FOSTER: Yes, but a vote is pending and one must make up his mind, and there have been certain phases of this question which I have not yet been able satisfactorily to follow out to the point of making a decision for myself. I do not think it is well that we should force ourselves to vote one way or another until we have as thoroughly as possible explored the ground. I do not ask for much time, but I do ask for a little.

Hon. Mr. BEAUBIEN: May I join my request with that of the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster). The position as far as I am concerned has narrowed down to a bit of evidence that, I am sorry to say, even the answer given by the honourable leader of the House a moment ago did not throw any light upon. The position brought before the Minister of Finance in 1916 was a very serious one. The whole gravamen of the argument in favour of this Bill is that the Minister at that time should have used the machinery available to him under Section 56A of the Act. Instead of doing that, I understand that the Minister used the method of an investigation within the bank, and that the people who had brought a complaint to him took it back from his hands by stating that they were completely satisfied. This is a part of the evidence that is extremely important. Which way is the evidence pointing? Is there some-thing that the Minister has omitted to do which he should have done? I have failed to come to an affirmative answer as yet, and for my part I would like to have a little more time.

Hon. Mr. BELCOURT: May I try to help my honourable friend on that question? I think there is this to be said about the Minister's attitude, at the time. You have it from his statement that he would not allow the Home Bank or any other bank at that time to go into liquidation because of the general interests of Canada, owing to the conditions through which we were passing. Is that not sufficiently indicative of his mental attitude at the time to show that liquidation at that time would not and could not have taken place because he would not have allowed it? In other words, he had finally decided that there was nothing more for him to do—that, having had an investigation, having had the report of Mr. Crerar and Mr. Lash, he did not think there was anything more for him to do, because if further investigation did take place and disclosed the fact that this bank should be liquidated, he would not have allowed it because of the condition of the country.

Hon. W. B. ROSS: I do not think that is what he means at all. He might have taken steps to get another bank to take it over.

Hon. Mr. DANDURAND: As there seems to be a fairly strong opinion in favour of postponing the debate until to-morrow, I will not press the matter further. Personally, I am always disposed to try to do what is convenient to the members, and I very seldom resist such a demand. Of course, I heard a fairly pronounced dissent to postponement. However, I do not object to this demand, although I thought that, as we were moving so fast towards the end of the Session, perhaps we could dispose of this legislation this afternoon.

The motion of Right Hon. Sir George E. Foster was agreed to, and the debate was adjourned.

Hon. W. B. ROSS: I was going to ask the honourable gentleman if he has any data that shows, outside of the depositors, how many people are affected by this Bill, and to what extent? The title of the Bill is "An Act for the relief of the Depositors of the Home Bank of Canada." After that the word "depositor" becomes very artificial and broad in its meaning. Section 3 says:

Creditors for money on deposit or in current accounts entitled to participate in the distribution herein mentioned shall include holders of bills of exchange issued by the bank and outstanding, holders of cheques drawn upon the bank, certified by the bank, and outstanding at the date the bank suspended payment, and persons entitled to monies collected as agents prior to suspension and not paid over.

How many of those people are there, and what amount do they represent?

Hon. Mr. DANDURAND: I think I have a document that covers that point, but it is not under my hand at the moment. I will try to get it for to-morrow.

CONDITIONS OF DIVORCE BILL

SECOND READING

The Senate resumed from June 11 the adjourned debate on the motion of Hon. Mr. Willoughby for the second reading of Bill 4, an Act respecting Divorce.

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Hon. JULES TESSIER: Honourable gentlemen, when I moved the adjournment of the debate the other day I had no intention of making a long discourse on this subject, and since then, having read the very eloquent addresses made by the honourable member for Granville (Hon. Mr. Chaplin) and the honourable member for Ottawa (Hon. Mr. Belcourt), all I want to say is that I concur entirely in the opinions that they have expressed, for I find that I am unable to bring any new arguments to support the position they have taken.

As far as the Bill, which has for its effect opening wider the door and giving of greater facility for divorce, I must say that it cannot be accepted by those who believe that the sanctity of marriage is the bulwark of society. The natural order of the family depends on its stability. How can those who in front of the altar have promised to be united for life, for better or for worse, have the sad courage to ask for the breaking of that tie for all kinds of futile reasons? Marriage is a moral contract, having in view something more than the happiness and the pleasure of the parties-having in view the fulfilment of important duties, the principal one being the procreation of children who will carry on a strong and pure race. To become good citizens, the children require loving care, having before their eyes examples and traditions which they will transmit to their descendants. How can this object be attained when the children are witnesses of family divisions ending in a separation which becomes legalized by courts of divorce? These children are often seen wandering from one parent to the other, and they are the victims of divorce. Judging from the reports from certain States to the south of us, the marriage bond is broken for the slightest reason, and the alarmingly increasing number of divorces granted the world over is a menace of social dissolution and shows that it is a wrong principle. The proposed Bill intends to make it easier to obtain a divorce, and I cannot support it.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, inasmuch as I have for some years been more or less associated with the Committee on Divorce, I have taken some interest in what I might term the doctrine of divorce. Condemn divorce as we may, yet it is an institution not only of this century, but of the last century, and is so strongly entrenched in our civilization that it is impossible to abolish it. There are certain institutions that make up our civilization, and we might as well accept philosophically the fact that they are here to stay; that they are the product of public opinion and public requirements; and, condemn them as we may, that it is impossible to destroy them.

Of all the powerful institutions that we have in society the institution of divorce may be said to be one of the strongest. It not only commands the attention of the best minds on this continent, but also the best minds of Europe. It receives the attention of every Government in the way of advancing laws touching it and preventing abuses, so far as it is possible, of an institution of that kind.

The question arises if the Bill before us is out of harmony in any sense with the doctrine of divorce. I submit that it would be reactionary on our part to reject this Bill. It has been passed in England; it has had the support of the Archbishop of Canterbury, who is not likely to give his support to legislation of this character if it were not possessed of merit. We have the same doctrine in the Parliament of Canada. We have the same law in the Maritime Provinces; but the four western provinces are labouring under an antiquated statute of 1857, which was repealed in England, and it is simply asked that Canada be placed upon an equality with not only Great Britain but with other countries that have passed similar legislation-not only that, but that those four provinces be placed on an equality with the Maritime Provinces, and with the Federal Parliament, that administer law the same as is embodied in this proposed Bill.

Now, equality of law is a desirable element to be introduced into all provinces. If we have invidious distinctions between provinces, they lead only to confusion and dissatisfaction. There is no good reason, on the ground of equality alone, entirely apart from the merits of the Bill, why this Bill should not be passed. As to the merits of the Bill, it surely is meritorious that a wife should not be subject to the cruelty of her husband before she has a right to make application to a court for relief. Let me read what constitutes cruelty under the law as it is at present.

Hon. Mr. BELCOURT: That is, as the court understands it, not as Parliament understands it, which is a very different thing.

Hon. Sir JAMES LOUGHEED: No, as the court understands it. A decision of the Appellate Court of Ontario, 1920, defines cruelty as follows:

To establish cruelty, one must show treatment likely to produce, or which produces physical illness, or mental distress, or of a nature calculated permanently to affect her bodily health, or endanger her reason, and that there is reasonable apprehension that the same state of things will continue.

Hon. Sir JAMES LOUGHEED.

In the judgment above referred to, Chief Justice Meredith reluctantly agreed with the decision, but used these significant words:

The law is not in accord with modern views as to the relations between husband and wife. That it is such, is to be deplored. Her life may be made a veritable hell upon earth, and she is without remedy, if robust enough to suffer it all, without impairment of her physical health or her mentality.

In 1921, Chief Justice Harvey, of Alberta, in the case of Torsell vs. Torsell, found at page 200 in 16 Alberta Law Reports, used this language:

It has been accepted in England, that legal cruelty, to support a wife's claim, must be such as to cause danger to her life, or health, present or future. There may be much room for dissatisfaction, but that is a matter which can be easily and effectively cured by the Legislature, if it desires.

Hon. Mr. DANIEL: How about desertion? Could that be construed as cruelty?

Hon. Sir JAMES LOUGHEED: I am speaking of cruelty now. Some judges might so interpret it, and some might not. But a wife makes application for a divorce at present in the four provinces to-day which I have mentioned. Her husband may be a roue; he may be a debauchee of the worst character; he may be living in open adultery; and yet she has no relief. Immediately she presents her case the court says: "Is there cruelty? Has your husband beaten you up?" She replies: "Well, my husband has not beaten me up, thus far." And the court replies: "Well, your husband will have to beat you up before you can get redress in this court."

Hon. Mr. BELCOURT: That is not according to the definition my honourable friend has read.

Hon. Sir JAMES LOUGHEED: So the wife lives in hope that possibly on some future day she may take the chance of being beaten up, so that she may get the remedy that the law denies her to-day except that unfortunate condition of affairs happened.

I am sure that honourable gentlemen in this Chamber do not wish to continue a condition of affairs such as that. The principle of law administered by this Parliament in granting divorce, and also in the Maritime Provinces and Great Britain, should be good enough for those four Western provinces. The fact that they are on the prairie is no reason why women there should not have the same freedom as they are given in the rest of the Empire.

For these reasons I will be very glad to support the Bill that is before us.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, it seems to me there is only one question before this Senate at this time. If the question were as to whether

divorce should be made legal, and a system should be set up and operated with that view, I might agree on a good many points with honourable gentlemen who have advanced views against the principle of divorce. This Bill, however, is simply to remove discrimination against a certain section of the people; and the odd thing about it is that the Senate itself, year by year, carries out a system of individual divorce which grants the very grounds asked for in this Bill. The absurdity of the discrimination is emphasized by the fact that women may come from those four provinces in the West and prefer their claim for a divorce before the Senate, which has in operation a system by which that claim is recognized and the divorce can be granted.

Therefore the question is not on the principle of divorce, but as to removing a discrimination which is unjust in itself, as between different parts of Canada. The claim for the removal of that discrimination is made stronger by the fact that the Senate carries on an operation of pronouncing and legalizing divorce for the very causes which are operative in the other parts of the Dominion, and which are asked to be operative in those Western provinces. It is therefore on the simple question of discrimination that I think we ought to give our vote to-day.

The motion for the second reading of the Bill was agreed to on the following division:

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Honourable	Messieurs :
Barnard,	Mulholland,
Black,	Planta.
Blain,	Reid,
Calder,	Robertson,
Crowe,	Roche,
Curry,	Ross (Middleton),
Daniel,	Ross (Moose Jaw),
Fisher,	Robinson,
Foster,	Schaffner,
Foster (Sir George),	Sharpe,
Gillis,	Smith,
Green,	Tanner,
Griesbach,	Taylor,
Hardy,	Todd,
Harmer,	Turriff,
Haydon,	Watson,
Laird,	Webster (Brockville),
Lougheed (Sir James),	Webster (Stadacona),
McCoig,	White (Inkerman),
McLennan,	White (Pembroke),
McMeans,	Willoughby43.
Michener,	

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Honourable Messieurs:

Aylesworth (Sir Allen), Béique, Belcourt, Blondin, Bourque, Chapais, Dandurand, Messieurs : Dessaulles, Lavergne, Macdonell, Montplaisir, Tessier, Thibaudeau, Turgeon.—14.

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The Bill was read the second time.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

CHANGING THE CANADIAN CONSTITUTION

PROPOSED RESOLUTION

The Senate resumed from May 14 the debate on the motion of Hon. Mr. Turgeon:

That, in the opinion of the Senate, it is inexpedient that any change take place in the Constitution of Canada as established by the British North America Act and amendments thereto, as set forth in the Speech from the Throne at the opening of the present session of Parliament, without the unanimous consent of the Provinces affected by such change to be expressed by the Legislatures of the respective Provinces.

Hon. F. L. BEIQUE: Honourable gentlemen, after the numerous and brilliant addresses which have been made in this House and elsewhere on this question, there remains very little for me to add to what has already been so well expressed.

On a previous occasion fault was found with the Government for calling a conference between the Government of the Dominion of Canada and the governments of the various provinces to consider the advisability of amending the British North America Act. with respect to the constitution and the powers of the Senate. For my part, I am not disposed to quarrel with the Government for calling such a conference. If we bear in mind that one of the chief functions of this House is to check hasty legislation passed by the House of Commons and sometimes to reject bills which in the best interest of the country should not be finally passed, we should not be surprised if this House is sometimes attacked by members of the community having personal interest in such Bills or by disappointed politicians. When the attacks are repeated and come from many quarters the Government may deem it its duty, were it only to set the question at rest, to submit it to all parties interested, as is proposed to be done. I am inclined to think that the discussion which will take place in the press and at the conference will result in a better appreciation of the powers and action of the Senate and the manner in which it deals with the bills that are engaging its attention from time to time. Moreover, the proceedings of the Senate are generally ignored by the press, and if it were not for the attacks to which it is subjected periodically, the public would lose sight of the good work which is done very quietly by this House.

A motion was lately made in another place and ably supported by the honourable member for West Calgary. His motion was:

That in the opinion of the House of Commons, the Senate as at present constituted is not of the greatest advantage to Canada.

The avowed object of the honourable member was to open the door for the expression of opinions as to the nature of the amendments which should be made to the constitution in regard to the Senate, if any amendment is to be made. As was to be expected, in the course of the debate which followed a variety of opinions were expressed and the main result was to show that the following propositions may be taken as incontrovertable:

Ist. The British America Act is the charter of both the Dominion of Canada and of the provinces; their respective powers are derived from that Act.

2nd. The Confederation Act, especially the Constitution of the Senate, was the result of a compromise in the nature of a treaty among the four original provinces, Ontario, Quebec, Nova Scotia and New Brunswick, implying a surrender by each of powers of their own which were to become those of the Dominion of Canada.

3rd. Unless by abuse of authority and violation of vested constitutional rights, no change in or amendment to the Constitution can now be made altering at all the compromise or treaty arrived at in 1867, without the consent of each Province.

4th. Under the British North America Act, 1867, the powers of the Senate and the powers of the House of Commons are co-extensive even in money Bills, with the unique exception that such Bills must originate in the House of Commons.

The Minister of Justice, in his brilliant address on the motion, supported, if I am not mistaken, each of these propositions, and he seemed to receive the assent of all the other members who spoke on the question.

This is the first time that the 4th proposition, which was the finding of a special committee of the Senate during the Session of 1918, receives the approval of the Minister of Justice and I may say of the House of Commons.

The honourable member for West Calgary claimed that this House has failed to protect provincial or minority rights. The assertion was no doubt made in good faith because the honourable gentleman has not had the opportunity of following the proceedings of this House. I could take the Statutes from year to year ever since I have been in this Chamber and show numerous instances where Hon. Mr. BEIQUE. the Senate was instrumental in protecting the rights of the provinces.

For the purpose of brevity I will restrict myself on this point to the reading of a letter which was addressed to me on the 5th of May by the distinguished Law Clerk of the Senate. I asked Mr. Creighton to have the kindness to look into the several instances which I gave him. However, as will appear from his letter, because of the destruction of the Minutes at the time of the fire in the old Parliament Buildings, it was difficult to trace the exact record. The letter is as follows:

The Senate

Ottawa, 5th May, 1925.

My dear Mr. Béique:

Regarding your inquiry as to instances in which the Senate by its legislative action has been instrumental in protecting the rights of the provinces under the B.N. A. Act, I am sorry to say that I have not been able to find much to add to the subjects mentioned in our conversation on Thursday last.

These may be classified roughly under the following headings:—

1. Railways.

The clauses which, after a long and complicated legislative history, have crystallized in sections 370-373 and 375, as to the consent of municipalities with regard to the construction and operation of lines along highways or public places, the putting of wires across railways, or other wires, or across or along highways The prevention of interference with the public right

The prevention of interference with the public right to travel and the regulation of height of wires, etc., etc.;

The provisions respecting the establishment of connections and offices, and regulating tolls and charges.

Protection of crossings, both of other railways and of highways.

Drainage of lands.

2. Telegraph and telephone companies.

The perfecting of the provisions now found in section 375 of The Railway Act, 1919.

3. Power companies.

The frustration of attempts to establish monopolies or to obtain control of provincial resources

The insertion in Acts of incorporation of protecting clauses similar to the provisions now in The Railway Act, 1919, insistence upon which has resulted in these provisions being always included.

4. Religious, educational, charitable and benevolent corporations and associations.

The insertion in incorporating and amending Acts of provisions maintaining or preventing interference with the exclusive powers of the provincial Legislatures under ss. 92-93 of the B.N.A. Act, particularly with regard to Property and Civil Rights.

Instances of the Senate's action with respect to the last mentioned matter are numerous.

As regards educational matters the instances are also numerous, occurring mostly in connection with religious and charitable associations. Two of special importance may be mentioned, The Canada Medical Act, 1902, c. 20, now R.S. 1906, c. 137, and The Frontier College, 1922, c. 77.

5. Miscellaneous Corporations.

For patriotic, professional, artistic, scientific, trading, business and other purposes, a large number of these has been created or been the subject of legislation, and in many cases the protective action of the Senate has been exercised.

The loss by the fire in the Parliament Buildings, of all Committee Minute Books, Bill Books, copies of Bills in their various stages, and other records and documents relating to legislation by The Senate before 1916, has deprived us of the quickest and easiest means of tracing the history of the matters now in question. To give anything like exact and incontrovertible information as to the origin and development of any of the legislation initiated in or improved by The Senate for the protection of Provincial rights, means that m every instance a detailed search must be made in the Senate Journals and also in the Senate Debates, sometimes in those of both Houses, in order to understand the real meaning of the entries with regard to a particular measure. This is a long business which in the limited time at my disposal has been impossible, though I have looked over the Journals and Debates for a good many years so as to refresh my memory as to the real part played by The Senate.

I think you will be quite safe in saying that even if all these protective ideas did not originate in the Senate, a large proportion was made effectual there. I am sorry not to have been able to send you this sooner, also that it is not more comprehensive. It has taken longer than I thought to get at and to think over the only available material.

As I said a moment ago, I could myself trace a great number of instances. Honourable members of this House will remember that for several years after the beginning of the century—from 1902 of my own knowledge these things were the subject of discussion and contention with the House of Commons. They finally gave in, and that spirit has been crystallized in standard bills—railway bills, bills for the incorporation of trust companies, and bills of all kinds—and now the contentions are not at all what they were at that time.

The honourable member for Granville (Hon. Mr. Chapais) gave us a number of instances in which this House had saved a great amount of money to the country, and the honourable the Leader of the Opposition (Hon. Sir James Lougheed) completed the review when he referred to the Bengough Branch Line Bill and the Turtleford Branch Line Bill. His remarks were summed up in this paragraph:

The summation of the whole transaction is this: Provision was made in the two Bills of last session to expend (0.19,000 upon the construction of 220 milesof road we are now satisfying the public by this legislation with an expenditure of (0.1615,000 instead of 6,-019,000, thus effecting a saving to the country of (4.4,404,000.

Now, I desire to record that in 1919, when the Grand Trunk Acquisition Bill was passed, this House was instrumental, by the introduction of a clause which I had the honour to move at the time, in saving a very large amount to the country. It is difficult to ascertain what that amount was, but it must have been a very large one. I prefaced the motion by the following remarks which are to be found on page 373 of Hansard of 1919:

I am afraid that the Bill drafted, and particularly clause II, would imply that the Government assumes the entire responsibility of the obligations of the Grand Trunk Pacific Branch Lines Company, and that therefore any claim that the Government of Canada may have against either of those companies may be wiped out. I think it is fair that the door should be closed to all interpretations of that kind. The Government should be given no advantage over the Grand Trunk, but, on the other hand, the Grand Trunk should have no advantage over the Dominion of Canada.

The honourable the leader of the Opposition, who was then the leader of the House, very kindly accepted the amendment which was incorporated in the schedule of chapter 13 of the Act of 1920, in these words:

19. G.T.P. Guarantee and Claims.—For the purpose of the valuation provided in this Agreement, the obligations of the Grand Trunk as guarantors of any indebtedness of the Grand Trunk Pacific Railway Company, or of the Grand Trunk Pacific Branch Lines Company, or otherwise, and the claims of the Government of the Dominion of Canada against either of the above mentioned companies, or against any company forming part of the Grand Trunk Railway System, shall not be treated as extinguished or affected by anything contained in this Act.

If it had not been for this clause I am satisfied that the arbitrators, instead of declaring that the stock of the shareholders was worth nothing at all, would have awarded a large amount.

It is well that we should take this occasion to let the country know a little of what this House is doing at times. A variety of opinions have been expressed from time to time in this honourable House and elsewhere as to the best mode of appointment or selection of the members of the Senate, but always ending in a striking absence of anything like unity of opinions. If, as is suggested by some, the members of the Senate were elected by the people, it would make of it a second House of Commons. Its members would have an equal right with the members of that house to claim that they were expressing the will of their electors, and it would tend to create dangerous conflicts between the two chambers. If, as claimed by others, they were nominated by the provincial legislatures, the choice would very likely be limited to politicians naturally inclined to keep in close contact, at least with those of the members of the body who had favoured their nomination. In one case as in the other, if one political party remained in a large majority in one or more provinces for a long period, all the members of the Senate from such provinces would likely be of the same political faith. It would make for disunion between provinces. If, as seems to be admitted, the main functions of the Senate are to check hasty legislation, prevent minorities being oppressed, see that provincial rights are not interfered with and promote national unity in maintaining a proper equilibrium between all classes and interests, the nomination of its members should be confined to the best

qualified body, and for my part I can find nowhere the same guarantee as that offered by a Prime Minister and the members of his cabinet for the time being. Entrusted as they are with the affairs of State, with matters of policy affecting the vital interests of the whole

are with the affairs of State, with matters of policy affecting the vital interests of the whole country, with the administration of hundreds of millions of dollars annually, and with the nomination of the judges, they should at all times, at least as a body, be under a sense of responsibility which we can find nowhere else to the same degree, and they have the means of seeing that the nominees are qualified representatives of all classes of society, which is of the greatest importance and could not be expected to obtain to the same degree under any other mode of nomination. The objection to the nomination by the Crown is based mainly on the ground that this kind of nomination is undemocratic, and that the nominees are not responsive enough to the wishes of the people. In my humble opinion, if the furture progress of society is impeded it will not be because of institutions such as the Senate of Canada, but because of premature and exaggerated extensions of the suffrage to masses of electors unprepared and unqualified to properly exercise the same.

If a review were made of the present condition of parliamentary institutions in Europe or in America, it would be found that instead of progressing they are rather in a state of retrogression. Russia is at the mercy of Sovietism. In both Italy and Spain there was complete failure, and recourse had to be had to dictators. Germany and the Netherlands, and France and England in a less degree, are threatened with communism. Almost all of South America is in a state of turmoil, and in the United States of America the Congress is daily losing its hold on and prestige with the people. Sane democracy should be a common goal, but its application should be conditional upon the people being properly educated and prepared to ensure its success.

So long as the body politic was divided into two parties, parliamentary regime was a success, but the division in groups as in late years in several countries threatens to end failure of parliamentary institutions. in Labouring classes feel that they have been and are still oppressed by what they call the classes, or capitalism, and that the enfranchisement which they now enjoy has been won by them at arm's length. The relations between capital and labour have been much improved, but there remains a feeling of resentment, or an absence of friendship, which is very injurious to the community, and which must be cured as soon, as possible. I know of nobody better qualified than this honour-

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able House to effect a reconciliation between capital and labour and work out national unity, composed as it is of professional men, bankers, manufacturers, merchants, farmers, representatives of labour unions, in fact, representatives of all classes of society coming from the several provinces, and daily exchanging views in friendly ways. I am sure I could appeal to every member of this House, and he would say that in his own experience, through daily contact with fellow-members and exchange of views with them, he has learned to have a wider vision of political problems and other questions. I have for my part noticed that of late years divisions both in the House and in Committee, have gradually become less frequent.

It has been suggested that here, as in the House of Lords, a Bill passed by the House of Commons in three consecutive sessions should become law irrespective of the action of the Senate. Looking, as we do, upon the British Parliament as being the model Parliament, we are naturally inclined to follow the example of that Parliament. But in dealing with the question under consideration we should not forget that here we have not a legislative union, as in England, but a federation of nine Provinces with a variety of interests, and in the inception of their development. Under our Constitution the representation in the House of Commons is based on population, and we do not know what may be the outcome. The next generation or two may see the four Western Provinces with a majority in the Commons. In adopting that basis of representation for the Commons, which was a proper basis, and the only one which could have been fairly adopted in a democratic country, it was deemed necessary to provide a safeguard by giving in this House equality of representation to the different sections of the country.

There can be no doubt that the Province of Quebec would not have accepted Confederation without that safeguard, which is also of prime importance for other Provinces. Speaking for the Province of Quebec, and I dare say for other provinces, let us assume that a Bill is introduced making a new division of provinces, or uniting Ontario and Quebec, or changing the basis of representation in the House of Commons or in the Senate, or asking for power to change the Constitution of Canada without the intervention of the Imperial Parliament. If such a Bill became law because it was passed three times by the House of Commons, would not such a law remain as unacceptable as before? Any number of like instances could easily be found.

In closing these remarks, let me say that I have reached an age when I can have no personal interest in the matter, but when it may be my duty to express my opinion. I am now in my twenty-fifth session, and, like other members of the House, I have given a great deal of thought to the question as to whether the Constitution of the Senate should not be changed. I must confess that I have arrived at the conclusion that the constitution of the Senate is what it should be, and that it had better be left alone. Like all human institutions, it is imperfect, often deserving criticism, but my experience is that on any vital question a majority may always be depended upon to solve it in the best interests of the country.

Hon. J. H. LEGRIS (Translation): May I be permitted to occupy a few minutes of the time of this honourable House to make some remarks that are naturally suggested to me by the eloquent speeches which we have heard from the lips of the honourable Senators who have discussed the motion now before us.

I must in the first place congratulate my honourable friend from Bathurst (Hon. Mr. Turgeon) on his excellent idea of submitting this motion to the House. I congratulate my honourable friend from Granville (Hon. Mr. Chapais), as well as the honourable Senator from Middleton (Hon. Mr. Ross) and my honourable friend from De Salaberry (Hon. Mr. Béique), on the eloquent speeches they have made in this Chamber on the question of the Senate. They have each given us a course in constitutional law on this subject.

My honourable friend from Granville, in the learned address which he made a few days ago, absolutely refuted the argument invoked in another place and in some newspapers for the reform, even the abolition, of The honourable gentleman the Senate. enumerated the various countries of the world which are now under a constitution like ours and in which there are two Chambers. Canada would therefore be alone in taking the risk of having only a single Chamber, whereas, for reasons which are well known, it has greater need of a second Chamber than any other country in the long list enumerated by my honourable friend.

This is sufficient, I believe, to refute the arguments of those who would reform or even abolish the Canadian Senate without having given adequate study to the objections growing out of constitutional difficulties which would arise, or to the needs of the country, with its heterogeneous population

and its peculiar composition. I know that the most popular reasons advanced against the Senate are that its members do not perform enough work and that it is too expensive. To the first objection I answer that the Senate has always fulfilled the duties assigned to it by the Constitution of the country. In the next place, I may say, I have no confidence whatever in the different schemes for reform which have been suggested, especially those which would result in identifying this Chamber more or less with the House of Commons.

As to what it costs the country, my honourable friend from Granville has specified some of the very grave errors of administration and legislation committed by the Government and the House of Commons and which the Senate has corrected, thus saving considerable sums of money, far exceeding all that the Senate has cost in the past and all that it may cost for many years to come.

My honourable friend from Granville has mentioned that in 1874 a Bill for the construction of a line of railway from Esquimalt to Nanaimo was rejected by the Senate and heard of no more. That railway line would certainly have cost a few millions and would have added a new burden to that which we already bear—a burden which would have been too heavy and have kept the country crushed beneath debts and taxes almost unbearable.

My honourable friend has cited another Bill, authorizing the construction of a road from Atlin to Dawson City, in the Yukon. The cost of that road was estimated at three millions, and it would probably have reached five or six millions. That is the usual experience in railway construction. There was another considerable sum saved to the country by the action of the Senate.

Later, in 1913, the Senate rejected the Bill for the construction of three dreadnoughts. The amount mentioned was thirty-five millions, and there is no doubt whatever that the expenditure would have reached fifty millions and we should have had another white elephant to feed. The Senate prevented the expenditure of these millions of Canada's money.

My honourable friend cited also the Bill for the construction of 29 railway branch lines, which the Senate rejected two years ago. Some of the proposals have been considered necessary, and these the Government submitted again, in the following Session, and the Senate approved of them. Here again the Senate saved an unnecessary expenditure of several millions.

There are a large number of other Bills, of lesser importance, which have not been mentioned and which I will not name, as I do not wish to detain this honourable House more than a few minutes. But there occurs to me this reflection, which, it seems to me is quite natural. These Bills which have been rejected by the Senate and which would have imposed upon the country enormous expense have in all cases been defeated by a Senate hostile to the Government. It is said that there are no party politics in this House, but there are political sympathies, even if there is no party spirit, and it is desirable that the Senate should always have a majority against the Government. I do not at all believe that the Senate would place useless obstacles in the way of Government measures.

As the question of the reform or abolition of the Senate has been under discussion, I desired to make these few remarks. I think I have demonstrated that the Senate has rendered great service to the country.

Hon. GEORGE McHUGH: Honourable gentlemen, the resolution before the House is of considerable importance to this Parliament. I do not expect to be able to add anything, after the very able and eloquent addresses of those who preceded me, particularly by my honourable friend who brought in the resolution, by the honourable gentleman who followed him, and also by the speaker whom I understood this evening-I regret to say that I could not follow the honourable gentleman (Hon. Mr. Legris) who has just spoken.

I think it would be very beneficial to the Senate if a general distribution could be made of the addresses that have been given on this question. It would place fairly before the country the work that the Senate does, and show the value of this House in carrying on the business of the country.

I did not intend saying anything on this resolution until I received a request a few minutes ago. I think I might refer to the experience that I have had in the public life of Canada. I served for some time in the House of Commons, and was on Committees there, and I have been 25 years in this House, and on its Committees; and I think, without any reflection on the way the House of Commons does its work, that the Senate deals with Bills more thoroughly. We have a much better opportunity for doing so here, because the House of Commons, with the amount of business it has, cannot give the attention

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that we give to Bills. The statistics quoted by the honourable gentleman who spoke as to the number of Bills that had been amended here and sent back to the House of Commons, who concurred in amendments made in this House, shows clearly that this House has a better opportunity to revise the Bills. Of course, the Bills receive a certain amount of revision after their introduction in the other House, and before they reach us, and we have less work to do in that way.

The question as to the form of appointment or election of Senators was before the Fathers of Confederation, and I recollect very well in the days before Confederation that we elected a certain number of Senators for Upper and Lower Canada. In the district in which I lived we elected the Hon. John Simpson on two occasions, and a certain number of Senators were appointed. The Fathers of Confederation had before them that system of election, and they also could look to the constitution of the United States and see how it had worked out, as Senators were appointed by the Legislatures of the various states. With that experience the founders of Confederation, in their wisdom, chose the present method of appointing Senators, and I think that time has proven that it was a wellconsidered plan.

Times may arrive when this House may come in conflict with the other, but I do not think any great harm has ever come of such disagreements. Sometimes a Government might be in power, with an opposition in this House more numerous than their supporters, and a little friction might occur, but it has always been remedied. If the people were divided for a time on any measure it was merely delayed, and as soon as the Senate thought that the Bill was in the interest of the country it was easy to take it up at the next Session and put it through. Sometimes political ambitions might creep in, but I think they were not carried to the extent of doing any harm to the country. I feel that the Senate is indebted to the honourable gentleman who brought this resolution before us, if for no other reason than that it places before the country the work which the Senate is doing.

I believe that no evil will come out of the proposed conference between the federal power and the provinces. The Senate was constituted in the interest of minority provinces, and I think I might go so far as to say in the interest of minorities in the larger provinces. I am sure that the pact that was made at the time of Confederation will not be altered without the unanimous consent of all those who were parties to the agreement laid down by the Fathers of Confederation.

I can well recollect the hardships we had when we had elections of Senators. In those days a whole county had to vote in one place, and there were no Government highways then, so the people had a terrible struggle to get to the polls in order to cast their votes. I very much doubt whether the election method was a better way of securing Senators, and when I look around at the membership of this Senate I do not think we got any better men in the Senate in those days than we have today.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, it is with a great deal of hesitation, and with a diffidence which I assure you is sincere, that I rise to take a small part in this debate. In doing so I want to keep in mind the fact that I am almost the junior member of this House, and also the fact that in addressing you I am speaking to a body of men of whom more than a score are my seniors in years, and of whom nearly all are my seniors in parliamentary experience and knowledge of public affairs.

I have read with care and with utmost interest the speeches which have been made by honourable gentlemen in support of the resolution which is under consideration. Introduced as it has been by the honourable member from Gloucester (Hon. Mr. Turgeon), of the province of New Brunswick, it has been supported most ably, if I may be permitted to say so, by a representative of the province of Quebec in the person of the honourable gentleman from Granville (Hon. Mr. Chapais) and by a representative of the province of Nova Scotia in the person of the honourable gentleman from Middleton (Hon. W. B. Ross). In reading the addresses delivered by those honourable gentlemen I have felt that there was certainly nothing I could add to what has been so well expressed on their part, in the sentiments of which I fully concur.

But it seemed to me scarcely right that upon a question of such importance as this the voice of my own province should not be heard, and especially something said on this subject by members of this House who might be old enough to speak of the days of Confederation as a matter of personal knowledge and personal memory. I found, on looking over the list of representatives in this House from Ontario, that there were perhaps none, except the honourable gentleman who has just spoken (Hon. Mr. McHugh), the honourable member from Wentworth (Hon. Mr. Smith), and myself, who would be in a position to speak of the days before Confederation in Upper Canada, as a matter of actual memory. I was but a schoolboy then, yet even at that comparatively early age I had precocity enough to be already a very ardent political partizan. I was born so, because I was born of a father, a grandfather, and a great-grandfather who were politicians in the days before Confederation. From the formation, 100 years ago or thereabout, of a new political party in Upper Canada, my grandfather and my great-grandfather became active political partizans of the party of Reform in that Province.

I venture upon that much of personal character as an excuse for what I have to say in connection with this resolution. I think something ought to be said about it from the standpoint of Ontario, and something from the standpoint of the ancient "Clear Grit" days of 1860 to 1867 in the province of Upper Canada. It is from that standpoint that I want to say a few words to-night.

We all know, as a matter of political history, that George Brown, the leader of the "Clear Grit" Party of Canada West, was always a strong advocate of the utility, or I might say of the necessity, of 'a second Chamber, as one of the legislative bodies of the country. In that view he was possibly not fully followed by the rank and file of his party. I think there is no doubt that the men of 1860 to 1867 in Upper Canada who voted solidly enough for George Brown and his supporters were, by probably a majority, at all events to a very large extent, utterly opposed to a second Chamber. They had had a lifetime experience of such a Chamber in the politics of Upper Canada, and they had come to look upon a second Chamber, whether an appointed or a partly elective Chamber, as it was at that time, as an instrument of oppression so far as they were concerned. It was a feature of government to which they were in the main strongly opposed. But they were, practically unanimously, strong supporters of the view that they could never attain their political rights unless they were able to secure representation by population. We know, as a matter of political history, that under the constitution of the two Canadas. from 1841 to 1867, the Province of Lower Canada and the Province of Upper Canada were represented in the Legislative Assembly by an equal number of members. The result of that was that there was political antagonism, political deadlock, as it came to be, between the two political parties from 1858 or 1860 up to the formation of the coalition Government into which George Brown and his friends entered with Sir John Macdonald.

Brown and his followers were persuaded that they had obtained a substantial majority of the electors of Canada West. They were confident that if they could secure representation by population, Canada West, or, in other words, George Brown's Clear Grit party, could rule the country: and accordingly, from the time that Confederation was mooted, the feature of the new constitution which was considered of vital importance by George Brown and his political followers was representation by population. Now, what I am coming to is simply this. We have been told as a matter of research and as a matter of history-as a matter of knowledge obtained by reading-that Confederation, or the agreement come to at the Quebec Conference was a matter of compromise. Necessarily it had to be so, and particularly of compromise, and I may say of bargaining upon this, Brown's, vital point. If the majority in Upper Canada was to be granted a substantial majori'y in the number of representatives in the Legislative Assembly or House of Commons, in what way was it possible that that condition of things could be compensated for or counterbalanced to the smaller Provinces, particularly to the Provinces of Nova Scotia and New Brunswick, who were then proposing to enter the Union, but equally, or in a degree equally, to the Province of Quebec? The only possible way, and the way that was adopted by the Fathers of Confederation, was by the provision for the establishment of a second Chamber in which representation should be, not by population, but upon a footing of equality; and a central feature of that proposition necessarily was that the second Legislative Chamber should be of equal, of co-ordinate, authority with the popular Assembly, except upon the one matter of the holding of the purse-strings, and that accordingly was the compromise that was effected.

Now, what I rise to speak about is the way in which that situation was represented at the time to the ordinary voter, the rank and file of the party led by Brown in the Province of Canada West. My father and my grandfather, working together and living together upon the same farm, and being each of them ordinary, average farmers of the Province, were, I think, fairly representative of what I call the rank and file of the electors of Upper Canada at that date. This very question, this very subject of the continuance of a second Chamber or Upper House was, during the time of the Quebec Conference, not only a matter of daily reading in the household from the columns of the Toronto Globe, but was a matter of daily, I might say almost

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hourly, discussion between those two men. between themselves and with neighbours about the farm-in the fields or in the barn, wherever they might be working-and every word of the discussion was eagerly drunk in on my part by willing boyhood ears. That is the way I think I know whereof I speak when I say that, to the members of the Clear Grit Party in Canada West at the time of the Quebec Conference and at the time of Confederation, it was stated by George Brown as their leader, not merely in his public speeches or in the columns of his newspaper, but by personal letter, by personal conversation, by intercourse between man and man, that no opposition on their part ought to be offered to the creation of a Senate as an integral part of the constitution of this country; that it was the price of representation by population, that it was part of the bargain, and that it ought to be accepted-and accepted it was. His statement on the subject reconciled those who previously had been unwilling to agree to the necessity, the inevitability, of the continuation of an Upper House under a constitution—exactly that which we have. Tn those circumstances, with a second Chamber constituted as this Chamber is constituted, for the very purpose of securing the rights and protecting the interests of the minority Provinces, what other than a breach of faith would it be if to-day a majority in any other legislative assembly, or even a majority of the people among the larger Provinces should combine to take away from the smaller Provinces that measure of protection which they stipulated for, and which at the time they were willingly given?

But this resolution and the public discussion, or the Speech from the Throne which has led to the introduction of this legislation, does not bring up, at present at any rate, any question of the continuation of the existence of this Chamber: and in these circumstances it seems premature to discuss it or perhaps even to This resolution strikes at the refer to it. very root of the matter and deals practically with exactly that which we have before us. I need not refer to anything that has taken place in the country prior to the opening of this Session of Parliament and the delivery of the Speech from the Throne. We are told there that it is proposed now that a conference should be held-a conference, I presume, of representative men from the various Provinces-and that in that conference there shall be something determined as to what shall be done, if anything, in reference to the constitution of this House. It is not suggested, so far as I am aware, that any questions should be raised, at present, at any rate, of the abolition of the second Chamber and the governing of the country by one Chamber alone. Perhaps no one, no public man at any rate, who occupies a position of representative character or of responsibility, would at the present time be prepared to advocate going quite that far. But various suggestions are made as to the alteration of the constitution of this House: that appointment ought to be or might be made in some other form than at the present time, or that this might be made an elective assembly. I want to say that either of those proposals would seem to me to be an equal departure from the terms of the original contract upon which Confederation was made possible, and upon the terms Election of which it was entered into. would scarcely do, because the selection of the members of this House by appointment was an essential feature of the very proposition that this House should be constituted as a protector of the interests of smaller Provinces of or minorities in the State. How could any minority, whether of race or creed or class, in any particular Province, be secured its fair share of representation in this House otherwise than by selection by appointment? If the members of this House were to be selected by popular vote, what chance would there be in any Province of a minority of either race or class or creed having its fair share of representatives here?

But that is, in a sense, aside; that is not now, at any rate, a practical suggestion for consideration by anyone so far as I am aware. The practical question seems to be-and I suppose it will be one of the principal questions to be considered by the Conference which we are told is to be assembled— whether or not it would be proper or advisable to introduce into Canada, by change of our constitution, a provision with regard to this Chamber similar to that which has lately been enacted in England with reference to the House of Lords. In other words, in the interests of the country, ought the powers of this Chamber, as co-ordinate in authority with the House of Commons, to be limited or I can only say, so far as I am restricted? concerned, that to do so would seem to me but to introduce the thin end of the wedge, which would be the first step towards abolition. How can you curtail the authority of any assembly without making a substantial inroad upon its powers, and taking a substantial step towards total abolition, if anybody wants to go so far? And let me point out that any curtailment, any such measure

as the one I have alluded to, would equally be a breach of faith with regard to the smaller Provinces whose interests and whose rights this Chamber was specially created to watch and maintain.

Just one word more, which, I think I may say, without impropriety, as a representative of Ontario. That province is now, and has been since Confederation, the most populous of our provinces. It now possesses, as it has always possessed since Confederation, a substantial majority in the House of Commons. It needs no protection: the majority can always look after itself. But would it not be well that any citizen of Ontario should reflect, and reflect now, that this condition of things in regard to Ontario may not always obtain? Probably not in my lifetime, possibly not in the lifetime of anyone now within the sound of my voice, will Ontario lose its primary position as the most populous of our provinces; but very likely that day will ultimately come, and if the constitution of the Senate is to be changed at the present time in this respect, Ontario may see the day when it will be one of the minority provinces, and when it would have been glad to have had its representation in the Senate one of equality which, with its co-ordinate jurisdiction with that of the Commons, would have been able to protect, if need were, the interests of Ontario.

Upon all grounds, it seems to me, we, as members of this Chamber, might be unanimous in passing this resolution, which simply declares it to be inexpedient, in our opinion, that in the conference which is now contemplated any change in the constitution of the country which would affect the powers of the Senate should be made unless with the unanimous consent of the smaller Provinces, which stand to be injured by it.

Hon. WM. ROCHE: Honourable gentlemen, I have listened with close attention to the observations which have been made upon the constitutionality of this Chamber, and the relative positions of the Senate and the House of Commons. Perhaps a word or two might be said upon the personality of the Senate We have heard about its dignity, its situation, and the obligations which were entered into for it, but perhaps we have not heard so much about the individual members of the Senate.

I would ask, where does any objection arise against the Senate? From what source have we any clamour for its abolition, or anything of that kind? Certainly not from the public, for the public know very little about the Senate, and they are indifferent about it. All they know of it is an occasional jibe in some obscure country paper, and I believe their idea of the Senate is that Senators are men that are senile, sitting in sybaritic ease, who come in, adjourn, amuse themselves, and do nothing else but draw their pay. There has been a wash of sentiment from another Chamber leading, perhaps, to the abolition of the Senate or in fact an intimation that if the Senate does not behave itself it may be either limited or altogether abolished.

Honourable gentlemen will remember that when the Goths broke into Rome they immediately made a rush for the Senate chamber. When they arrived there they saw the Senators sitting in their curule chairs, and, with the utmost amount of Roman dignity, debating the questions that came before them. providing for the public service, intimating what military forces they had, and going on calmly in the discharge of their senatorial duties, altogether undisturbed by the clashing of the swords upon the shields, and the outcries of the Goths. Dismayed by the calmness of the Senators, who were so little affected by their clamours or the threats made upon them. the Goths retreated and left the Senate to the discharge of their duties. So it may be with those iconoclasts who wish to come in and abolish the Senate, but who, if they should come in, would leave the Senate to its deliberations. Suppose that some members of the House of Commons, who are so disposed to underrate the pretensions and deliberations of the Senate, should be invited in on Wednesday. We might provide some accommodation for them, and if they should come in and observe the dignity of debates, the courtesy of speakers, the deference that is made to opinions, the dispatch that is given to business, and all the requisites of the most refined and elevated deliberate assembly, they would alter their opinions entirely.

If they were to go into our Committee rooms, they would see the Bills which are brought before them-sometimes, it must be admitted, in a very crude state-from the House of Commons and they would learn that those who discuss and investigate those Bills represent in some cases the ablest legal talent in the country while other members of the Committees are men with knowledge of business, knowledge of corporations, men actively engaged themselves, from various portions of the country, and all well informed on practical subjects which come before the Senate—a body well disposed and well fitted to accomplish all that the country requires of such a body. They would find that in Hon. Mr. ROCHE.

dealing with practical measures, and that which interests the commonality of the people, the Committees of the Senate are equal to any deliberative body of which I have heard.

I have observed no great reluctance on the part of many members of the House of Commons to come over to the Senate and take interest in our deliberations; yet many members of the present Senate have served their time in local Legislatures, in the House of Commons, in municipal bodies, and have brought to bear upon the subjects under consideration a body of information which would be unequalled in the country.

With regard to the constitution of the Senate, if it be altered what would be the advantage of an elective assembly? My honourable friend who has spoken recently (Hon. Mr. Beique) has shown that it would be a rival body to the Commons; that it might entertain diverse views; that it might contradict or oppose or destroy measures which are brought forward by the other body. But under the present system the people at large elect members of the House of Commons. the House of Commons elects a Government; the Government selects the members of the Senate, who are called by the Crown, but are really representatives of the people. They have gone through three gradations, and it is quite true that, although they may apparently be a selected assembly, they are real representatives of the people, only two removes from the people themselves, and without all the vicissitudes that take place, without all the changes in the body politic, without changes of Government, or anything of that kind. The Senate is a staid, consistent body without alteration, carrying forward its principles and traditions, executing its purposes in the very best possible manner as a balance, as a consummation, and as a corrector of what may be crude legislation of the House of Commons.

The Senate has now pretty well arrived at the end of this Session. We have passed a number of measures; we have had a number of debates. During the next Session I venture to affirm that the Senate will be here. I venture also to affirm that when the House of Commons disperses and there may be another House of Commons, the Senate will be here still. I assert that the Senate will be here still. I assert that the Senate will always be here, and carry out the traditions and practices, and perform its duties faithfully, without fear, without regard to menaces or threats or cajolery, or any other influences that may be brought to bear; that the Senate of Canada will be the Senate of Canada which was erected at Confederation; the Senate of Canada, which is approved by the people, and the Senate of Canada which will be permanent in the interests of the people, preserving their rights and liberty.

Hon. R. DANDURAND: Honourable gentlemen, this resolution could well pass this House without my rising to add anything to what has been said. This debate has been conducted on a high plane, and I am sure has interested all the members who have had the privilege of listening to it.

I have spoken so often on the constitution of the Senate and on its mode of selection that I do not feel like repeating to any degree what I have already stated. I admitted last Session that in three or four debates in which I had participated I had found that at times the debate had altered my views.

The only question to which the Senate need give serious thought, the only grievance against which it should guard itself, is in the appearance of a division of opinion in the Senate on questions which clearly divide the parties in the country—on matters upon which the House of Commons has divided on party lines; because, if the Senate occasionally shows that it is inclined to be influenced by the views and passions which are held and displayed in the House of Commons, people are apt, in those special and rare circumstances, to say: "Well, the Senate is but a replica of the House of Commons."

Speaking without any application to the present day, I recognize that when a party is triumphant at the polls in a clear, decided vote given by the people, and presents a measure which is opposed by the defeated party in the Commons, that party which has the mandate of the people may feel somewhat irritated if it happens that the defeated party has a majority in the Upper House, and that that majority imposes its will upon the legislation brought forward by the party triumphant at the polls.

This is the only point in the history of the Senate which has created some friction and some criticism among the people, and has influenced public opinion. When I make this remark I have in mind situations such as I could describe, that have appeared many a time since Confederation. I remember that an election was held in 1896, and the Liberal party carried that election. It found in the Senate, in a House of 81 members, only 9 or 10 representatives of Liberalism. One can realize the feeling of the majority party in the House of Commons, when opposed on a measure where the two parties had taken sides in the Commons, meeting with defeat because accidentally the majority in the Senate happened to feel on that question as the minority party in the other Chamber felt.

This happened again in 1911. When the Conservative party carried the elections it found itself in this Chamber facing a majority, and no doubt the action of that majority in this Chamber may have been very unpleasant to the majority in the House of Commons.

It is only in those circumstances, when there is the appearance of party cleavage in the Senate similar to the party cleavage in the Commons, that we hear of criticism in the country. Honourable gentlemen will remember that I have often expressed my view that party feeling in this Chamber should be obliterated to as great a degree as possible. I think that the best way of eliminating it would be to eliminate the Government completely from this Chamber, so that there would be no Government representative, no Government party, and no Opposition party.

We could administer this House under a system of having a floor managing committee, and the fifteen or sixteen members of the Cabinet who would bring measures forward in the Commons could select their own senators to sponsor their measures in this Chamber. They would have the advantage of dividing the work among fifteen instead of having it concentrated on one alone.

I simply indicate a point in respect to which the Senate is sometimes criticized. I recognize that honourable members of the Senate are human. Consciously or unconsciously we are swayed or influenced to a certain degree by our political affiliations or political inclinations. I have been here for twenty-seven years. I feel that at times party inclinations have been perhaps apparent, but that the whole work of the Senate session after session, has been to the great advantage of the Dominion of Canada. Our work has often been done, as has been stated this evening, quietly in the Committees. On the whole, we have brought our share of wisdom and experience to the framing of the laws of this country, and the Dominion of Canada has benefited by that work. There is at present no suggestion that I could make for the betterment of the Senate, either in its composition or in its authority. I have seen it in operation.

I have no objection to the passing of this resolution. It simply confirms the announcement which was made in the Speech from the Throne, that a conference of the Federal Cabinet with the provincial cabinets will be held. This resolution implies that, they being consulted, their decision should prevail, but it goes a little further in saying that the decision shall be unanimous. There is a qualifi-

cation. I do not know whether the honourable gentleman who drafted the resolution has noticed 16:

That, in the opinion of the Senate, it is inexpedient that any change take place in the Constitution of Canada as established by the British North America Act and amendments thereto, as set forth in the Speech from the Throne at the opening of the present session of Parliament, without the unanimous consent of the Provinces affected by such change to be ex-pressed by the Legislatures of the respective Provinces.

The qualifying words which I have just read are: "without the unanimous consent of the Provinces affected by such change."

Before taking my seat I would like to state that we have had, since I have been in this Chamber, two propositions for harmonizing differences that may appear, and do occasionally appear, between the two Chambers. I am not sure that the first one was made public. I am under the impression that it was. The date I should fix as 1897 or 1898, when the Prime Minister of the day, Sir Wilfrid Laurier, asked the opinion of the four original provinces as to a change in the constitution to permit of the adoption in this country of the American system of uniting the two branches of Parliament in the event of a conflict, in order that they may vote as a single House. I understand that the House of Representatives and the Senate have that method of solving their differences, but I have not yet heard of any instance in which it has been utilized. That power exists in the Constitution of the United States, it was the suggestion of Sir Wilfrid Laurier to the four provinces of Ontario, Quebec, New Brunswick and Nova Scotia that a similar method might be adopted in this country. I accompanied him when he submitted that question to the Quebec Cabinet of the time, which was presided over by the late Mr. Marchand, and we received the unanimous decision of the Cabinet that such a change would not be favoured either by the Cabinet or by the Provincial Legislature

Lately we have had the suggestion that the solution of the problem of conflicts between the two Chambers should be sought by looking, not towards Washington, but towards London. There will probably be submitted to the next conference a question regarding the desirability of adopting the British system. Under that system, if a measure which has been defeated twice by the Upper Chamber, is defeated for the third consecutive time, the dissent of the Senate does not prevail; the Bill as passed by the Commons receives the Royal Assent.

As honourable gentlemen are aware, the question of solving a deadlock has engrossed the minds of Government leaders. I have

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mentioned two propositions. There have been other suggestions made at different times. But, for my part, I do not yet see how the work of the Government will be very much improved by whatever amendment is suggested. I said last Session that there were so many different opinions expressed in this Chamber and in another place when the question of Senate reform was under discussion, that in despair we had agreed to have a concrete question brought before us, in order that we might test it. I am still of the same opinion.

Hon. Mr. BELCOURT: Before the question is voted on, honourable gentlemen, may I suggest that some portions of this resolution ought to be changed? As it is framed, it implies that some amendment to the Con-stitution of this House is foreshadowed in the Speech from the Throne. I do not think the Speech from the Throne foreshadowed anything of that scrt.

Hon. W. B. ROSS: Did it foreshadow anything?

Hon. Mr. BELCOURT: I was going to suggest to my honourable friend who moved the resolution (Hon. Mr. Turgeon) that it would express his intention and would be much more concisely and exactly stated if it read:

That in the opinion of the Senate, it is inexpedient to alter the Constitution of Canada as established by the British North America Act and amendments there-

Why not leave it at that?

Hon. Mr. BEIQUE: As regards the Senate.

Hon. Mr. BELCOURT: Yes, as regards the Senate. Then the resolution would cover everything intended. If we passed it in its present form we should be admitting something that is not so. There has been no foreshadowing of any amendment of the Constitution in the Speech from the Throne.

Hon. Mr. DANDURAND: But my honourable friend forgets the latter part of the resolution.

Hon. Mr. BELCOURT: I do not think it is necessary at all. However, I am merely making this suggestion:

That in the opinion of the Senate, it is inexpedient, in so far as the Senate is concerned, to alter the Constitution of Canada as established by the British North America Act.

Hon. Mr. TURGEON: May I say a few words in explanation? I have no objection to the proposed change, but I had in view the possibility that when the representatives of the provinces were assembled they might make changes, other than that regarding the Senate, which might affect the rights of the different provinces. It was for that reason that I included the words:

Without the unanimous consent of the Provinces affected by such change to be expressed by the Legislatures of the respective Provinces.

A change might affect one province and not affect another.

Hon. Mr. CHAPAIS: It is much better to leave it as it was originally.

Hon. Mr. ROBERTSON: May I point out to my honourable friend the Senior member for Ottawa (Hon. Mr. Belcourt) the statement on this subject contained in the Speech from the Throne? It reads:

You will be asked to sanction the calling of a conference between the federal and provincial governments to consider the advisability of amending the British North America Act with respect to the constitution and powers of the Senate.

It would seem to me that that does indicate or foreshadow some change in the British North America Act as regards the Senate's powers.

Hon. Mr. BELCOURT: No. It foreshadows a conference; and in anticipation of that conference we say we do not think there is any necessity for alteration. I thought that was the meaning of the resolution.

Hon. Mr. TURRIFF: I would like to ask a question of the honourable leader of the Government, for information only. If I understand it aright, the adoption of this motion would mean that every province, through its legislature, would have to consent to any change in the Constitution.

Hon. Mr. LYNCH-STAUNTON: Certainly.

Hon. Mr. TURRIFF: And "unanimous consent" would mean consent by a majority of the legislature.

Hon. Mr. DANDURAND: No; it means unanimity.

Hon. Mr. TURRIFF: Then you might as well say that for the next thousand years there can be no possible change made, because you could never get the members of each of the nine provincial legislatures to agree unanimously to any change.

Hon. Mr. CASGRAIN: The nine would be unanimous.

Hon. Mr. TURRIFF: It would, to my mind, work out in this way. Suppose that in the course of time there arose a general public demand for some change in the Constitution as regards the Senate. Take the smallest province, Prince Edward Island. I do not remember the exact number of members in their Legislature. If one of those members objected, that would prevent any possible change in the Constitution of the Senate. I would like to know if I am right in that interpretation.

Hon. Mr. DANDURAND: Not exactly. I have just drawn the attention of the Senate to the qualifying words:

Without the unanimous consent of the Provinces affected by such change.

If Prince Edward Island is opposed to a change which cannot at all affect that province, the consent of Prince Edward Island would not be required by this resolution, as I interpret it.

The resolution was agreed to.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill X5, an Act for the relief of Ella May Stacey.-Hon. W. B. Ross.

Bill Y5, an Act for the relief of Jessie Harriett MacKey .-- Hon. Mr. Blain.

Bill Z5, an Act for the relief of Edna Fox. -Hon. Mr. Schaffner.

Bill A6, an Act for the relief of James Jackson.-Hon. Mr. Haydon.

FRUIT BILL

COMMONS DISAGREEMENT TO SENATE AMENDMENTS

The Hon. the SPEAKER informed the Senate that he had received the following message from the House of Commons:

Resolved that a message be sent to the Senate to acquaint Their Honours that this House disagrees to their amendments to Bill 117, an Act to amend the Fruit Act, for the following reasons: Because (a) it refers to an association by a wrong

title:

(b) the holding of consultations with an association whose membership is recruited from all points in Canada may often be very difficult and even impossible; (c) the mere fact of consulting such a body would not bring actual results and seems an unnecessary condition.

Hon. Mr. DANDURAND: Honourable gentlemen, there was a slight amendment made in Committee to this Bill, at the suggestion of an honourable member of this Chamber. Section 2 of the Bill read in part as follows:

The Minister, with the approval of the Governor in Council, shall have power to prescribe additional grades for individual kinds of fruit.

After the word "Minister" we had inserted the words "after consulting the Horticultural Council of Canada and." The honourable member who made the suggestion laid it before the Committee, but did not seem to be pressing for its inclusion after he had heard the explanations of the Deputy Minister of Agriculture; but we did not think there was any harm in including it. We now realize that there was an error in the title given the Council, and, after consultation with the honourable gentleman who moved the amendment (Hon. Mr. Smith), I am in agreement with him in moving that the Senate doth not insist upon its amendments.

Hon. Mr. SMITH: There are three objections to the amendments. The first is that the title of the Horticultural Council is slightly reversed—it is the difference between tweedle-dum and tweedle-dee—apparently it should have been the Canadian Council of Horticulture. That difficulty I presume might be remedied by a conference between the Senate and the Commons.

The second objection is that the Council meets only once a year, and that it would be difficult for the Department to consult with the Council. There is some virtue in that objection, and I am not pressing the amendment. It seems to me a very strange thing, however, that the House of Commons should think that the Department could not by any means take the advice of that Council, which was appointed for the very purpose of giving advice, and no other purpose so important, and that the Department must continue to make regulations without reference to that important body.

The third reason for objection is that it would not bring results, which means that the amendment provided for the taking of advice only, and did not give the Council authority to over-ride the regulations of the Department. I had no intention of suggesting that the Horticultural Council should over-ride the Department, but that it should perform the function for which it is appointed.

However, as the House of Commons opposes the amendments, and as there is some virtue in the second objection, I withdraw.

Hon. Mr. DANDURAND: It may be some satisfaction to the honourable gentleman to know that the draftsman of those regulations has stated to the Committee that he had consulted with this very Association.

The motion of Hon. Mr. Dandurand, that the Senate doth not insist on its amendments, was agreed to.

SUSPENSION OF RULES

Hon. Mr. DANDURAND: At six o'clock I gave notice of motion for the suspension of rules. I now intend to ask the leave of the Senate to transform that notice into a motion, because the matter is pressing. I am in agree-

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ment with the honourable the leader opposite in this. The motion is:

That from and inclusive of to-day until the end of the session rules 23f, 24a, b, d, e, and h, 63, 105a (2), 117, 119, 129, 130 and 131 be suspended.

The purpose of the suspension of those rules with one exception is to facilitate the more rapid movement of Bills from stage to stage. The exception is rule 105a, which penalizes specially and more heavily the members of the Senate who happen to absent themselves during the last two weeks of the session. As some honourable members have been faithful attendants from the first of the Session until to-day, and are under the obligation of leaving this week, I am proposing to suspend the operation of that penalty.

The motion was agreed to.

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

THE SENATE

Wednesday, June 17, 1925.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill W4, an Act respecting certain patents of Accounting and Tabulating Machine Corporation.—Hon. Mr. Belcourt.

Bill 20, an Act respecting a patent owned by the Concrete Surfacing Machinery Company.—Hon. Mr. Béique.

Bill W5, an Act respecting a patent owned by the John E. Russell Company.—Hon. Mr. Béique.

Bill Z4, an Act respecting a patent owned by the John E. Russell Company.—Hon. Mr. Béique.

Bill 38, an Act to incorporate Knights of North America.—Hon. Mr. Béique.

FIRST READING

Bill J6, an Act to incorporate the Detroit and Windsor Subway Company.—Hon. Mr. Lynch-Staunton.

SECOND READING

Hon. Mr. LYNCH-STAUNTON moved the second reading of Bill J6, an Act to incorporate the Detroit and Windsor Subway Company.

Hon. Mr. DANDURAND: Would the honourable gentleman explain?

Hon. Mr. CASGRAIN: What is it?

Hon. Mr. LYNCH-STAUNTON: It would take too long to explain.

Hon. Mr. CASGRAIN: Go ahead. Explain. It is a Private Bill

Hon, Mr. TESSIER: We would like to hear you.

Hon. Mr. LYNCH-STAUNTON: It is a Bill to build a tunnel under the Detroit River from Windsor to Detroit.

Hon. Mr. BELCOURT: Is it a new incorporation, or is it merely for an extension of time?

Hon. Mr. LYNCH-STAUNTON: It is a new Bill.

Hon. Mr. WATSON: Is it for a bridge or a tunnel?

Hon. Mr. LYNCH-STAUNTON: It is to build a tunnel under the Detroit River.

Hon. Mr. DANDURAND: But it is an ordinary tunnel, not a pipe for 4.4?

Hon. Mr. LYNCH-STAUNTON: Oh, no.

Hon. Mr. LAIRD: It is not a pipe dream.

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

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill 16, an Act for the relief of Wilfred Clarence Byron.-Hon. Mr. Daniel.

Bill J6, an Act for the relief of Jessie Irene Yates.-Hon. Mr. Schaffner.

Bill L6, an Act for the relief of Mary Ann Tattersall.-Hon. Mr. Blain.

Bill M6, an Act for the relief of Walter Lewis Hawkins .- Hon. Mr. Haydon.

NIPISSING RAILWAY IN QUEBEC

MOTION FOR RETURN

Hon. Mr. GORDON moved:

That an order of the Senate do issue for a return to include copies of all correspondence relating to the construction or obstruction of the Nipissing railway into the Province of Quebec.

The motion was agreed to.

YUKON QUARTZ MINING BILL FIRST READING

Bill 6, an Act to amend the Yukon Quartz Mining Act .- Hon. Mr. Dandurand.

CRIMINAL CODE BILL FIRST READING

Bill 147, an Act to amend the Criminal Code.-Hon. Mr. Dandurand. S-33

CLEARANCES OF VESSELS ANSWER TO INQUIRY

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, I have a statement on the part of the Customs Department in answer to the inquiry of my honourable friend from Welland (Hon. Mr. Robertson). It is a letter from the Acting Minister of Customs and Excise. as follows:

Ottawa, 16th June, 1925.

The Honourable R. Dandurand, The Senate,

Ottawa.

My dear Colleague:

On the 10th instant you wrote me drawing attention to that part of the debate of March 11th and of June 10th, containing suggestions and representations concerning licenses granted for export and asking for the

views of the Department of Customs and Excise. The complaint voiced by the Honourable G. D. Robertson in the debates of the 10th instant relates to the nature of the boats or vessels to which clearances are granted at Lake ports with liquors for export.

The instructions that have been issued to collectors on this subject are contained in circular letter dated 2nd January, 1924, and Circular 328-C, dated 17th April, 1924, copies of which are attached, the first allowing clearance only to seaworthy vessels capable of performing the voyage indicated, and the second refusing clearance to any vessel where the cargo of liquors is so consigned as to necessitate transit thereof through United States territory, as, for instance, a consignment of liquor to an interior point in the United States and clearance asked to a United States port such as Buffalo.

Yours faithfully,

(Sgd) P. J. Arthur Cardin.

Acting Minister of Customs and Excise.

The two circulars that accompanied the letter are to the same effect.

HOME BANK DEPOSITORS RELIEF BILL MOTION FOR SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I do not know that at any time in my public life I have approached a decision necessary to be made by a member of Parliament under circumstances less agreeable to myself than in the case of this particular Bill which is now before us. I recognize freely the right of everyone to put his grievance and his cause before a member of Parliament in either House, and to urge it with all possible earnestness. At the same time, I claim for myself, as I think all of us do, the right to exercise my own best judgment and come to such decision as I think is necessary and wise under the circumstances.

Ever since this question has come before the Senate—may, even before that—there has been an impression that it is a question outside of the ordinary, and not one that stands as a single act by itself, entirely urelated to the future. There is seemingly a premonition in the minds of others, as there has been in my own, that this is the slashing of a trail which may hereafter become a settled passage-way; that it is the setting of a precedent which may broaden into a settled method of procedure; and consequently one approaches it not simply with reference to the question in itself, and the conditions of to-day, but also in reference to its effect in the future.

I know that those who have supported the Bill have first sought support from precedents, and have then scouted all precedents as binding. I find it difficult to understand how they can carry on the argument from both points of view, but such has been attempted. My honourable friends who support the Bill, almost without exception, have adduced precedents in the beginning of their speeches. My honourable friend who leads the Opposition on this side (Hon. Sir James Lougheed), following the same course, rightly based his argument upon precedents that he adduced, but almost immediately thereafter proceeded to declare that Parliament was one of the most irresponsible bodies on the wide earth, and that it should not consider itself bound by precedents; that it based its action very largely if not entirely on grounds of expediency, and had a perfect right to undo to-morrow what it did to-day, and to act irrespective of coordinate actions in the past.

Now, I am not a slave to precedents, but neither am I an apostle of expediency. I cannot divorce myself from the idea that the individual, the nation, society, and national institutions are built up from precedent added to precedent, and that every action deliberately taken in a man's life, or in the life of a nation, determines that which will succeed it; that to-day depends upon yesterday, and that the action of to-day should have reference to what may be the possible call of the future; that we are not to act always from impulse and upon the circumstances of the moment. Otherwise, I doubt very much whether we should have much development of character in the man, or development of permanence and progress in the nation itself. Take, for instance, the great system of jurisprudence; is it not the fact that upon essential truths that great system has been built up by precedent added to precedent, and that the most careful examination is made of the decrees of the past before judgment is given in ref-

erence to any case which is presently before the courts.

I think that the growth and continuity of Parliament depends upon that principle very largely, and that it is impossible for us to say that we can base our actions entirely upon the rule of expediency, irrespective of what we have done, and what we may be called upon to do in future. So it is with reference to this matter. I approach it not only from the precedents of the past, but also with that feeling in my mind which I believe settles over this Chamber to-day—that what we do to-day influences to a very great extent what we may be called upon to do to-morrow.

Having made that premise with reference to the general subject, let me ask: what is the basis of the claim which is before us? In the claim which was made by the advocates of the measure and the supporters of this Bill, in the arguments pro and con, there was an impression tacitly held, if not plainly expressed, that there had been a lapse on the part of the Department of Finance, or of the Minister of that Department, and that he had either not done his plain duty under the circumstances, or had been influenced in not doing that plain duty by the events and circumstances of the war that surrounded the question at the time. But although that would have been a ground, if established, for a legal claim, it was not persisted in by those who supported the demand before the Government, and it was not affirmed in any one of the stages which succeeded the presentation of the claim up to the present time. It is now conceded that neither in the report of Mr. Justice McKeown, nor in the action which was taken by the House of Commons at any of the several stages, nor by the Committees of the House of Commons, nor at this present moment, is anyone claiming that there is legal ground for the demand put forward, and that it ought to be met on that legal ground.

That claim not being put forward, the next and chief claim, although not the only one, is that there is a moral claim, or, as it was put in the report of one of the Committees, that there was "a moral claim in equity." I have tried to find, from the discussion and reports, the exact definition of a moral claim in equity. I have found people very chary in attempting to define that. I notice that in the other House every Minister who was challenged to give his definition of a moral claim failed to meet that challenge. A moral claim is stated in some cases to be a claim which cannot be carried out to its completion under process of law, but which, not being capable of being adjudged as a legal claim, still throws an

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obligation upon an individual or corporation or Government to meet it with at least compensatory damages or compassionate relief.

But the moral claim is succeeded by another, which runs all through the latter part of the discussions and processes through which this matter has passed: that is what might be called a war claim. That is, the country was engaged in war, and therefore certain things were not done that might have been done if a state of war had not existed; consequently the loss which accrued is a war loss, and the country should look upon it as a war loss, and give total or partial compensation.

Let us carry out an analysis, to a certain extent, of this argument that the loss should be treated as a war loss. Just here let me say that I have been bothered, as have been other members of this House, to know just exactly what is upon the record with reference to the disposition and attitude of Sir Thomas White at the time, taking into consideration the fact that the country was in a state of war. It has been said that it is clear that if Sir Thomas White had not been greatly impressed and influenced by the fact that the country was at war, and that an outside investigation might have imperilled the conduct of the war, a different action would have been taken by him, and consequently the loss would not have occurred. I have looked into that point as carefully as I possibly could, and read what has been stated, as it appears on the record, and my own belief is that Sir Thomas White acted under the circumstances in a perfectly fair and honest way; that he did what he thought was his duty under the circumstances; and that no man living can go through that evidence and make himself certain of the conclusion that Sir Thomas White was actuated mainly, or to a directing point, because the country was in a state of war. That is my observation with reference to that matter.

But, granting that the country was in a s'ate of war, as it was, and granting that that had an influence upon the losses which accrued afterwards, we are bound to analyze that question, and examine into that alleged reason as a claim for compensation. My honourable friend who leads the Government in this House rather tried to give the impression -perhaps he holds it himself-that the public as a rule finds it very difficult to understand and master the intricacies of the Bank Act. I will agree with him in that general statement, but when it comes to narrow that down to the particular provisions of the Bank Act which deny guarantee by the Government of the safety of deposits, these are provisions

of the Bank Act that, if anything is known in this country, are known widely and well by the people who have to do with banks. The occurrences of the last few years-the Farmers Bank failure, for instance-brought that matter very clearly before the attention of large bodies of our people. But I do not think it is necessary to labour that. I do think we can fairly say that of all the previsions of public acts which enter into the daily transactions of life there is none, perhaps, which is more widely and better known than that the depositor who puts his money into a bank does so at his own risk, and that the Government is in no way responsible for any loss which may occur.

Just here let me say that the term "depositor" has, I think, been a bit misused or misunderstood in this whole matter. Although having some knowledge of the Bank Act and of its provisions, I had a fleeting and hazy idea-maybe more than fleeting and hazy-that in all the preparation of the Bill of to-day the bona fide depositor was the only man whose interest was at stake and for whom claims were being admitted. But what, in general, is a depositor in the bank? He is the customer of a bank. He goes into that bank and makes his investment. He puts in his money and draws his interest. But there are differences in degrees. Some depositors take their little earnings, or their larger earnings, and they want them in a comparatively safe place where they will bring a certain revenue. They take that sum of their savings and place it in the bank, in one respect for safe keeping, but also for the return of a reasonable interest on the amount. It is an investment by them. That is one class of depositor. But that is not the definition that limits depositors in this Bill. If honourable gentlemen look into what is meant in this Bill by depositor, what is meant by relief to depositors, they will find that "depositors" in this case take in a far wider class than that; that it takes in every customer of the bank, with the exception of a Government or a bank or a corresponding bank. Therefore we have not the same drain upon our sympathies with reference to the every day man of business who has an account in the bank, and who sometimes has an advance from the Bank and sometimes a balance in his favour, that he shall be looked upon as a compassionate subject, and that the country should come to his rescue and aid. Under this Bill that is absolutely and actually done.

Hon. Mr. DANDURAND: But my honourable friend will realize that this is a matter for the committee stage, not for the second reading.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend will also realize that the Government have for months cogitated upon and incubated their Bill, and that their Bill is the final expression of the Government, so far as we know, and that when it came to us it bid us make a forced loan upon the people of this whole country in order to pay proportionately the millionaire as well as the small depositor of a few savings in the savings bank where he lost his money. And I am bound to take it that the honourable gentleman is here to fulfil the purpose of his Government. He has not brought the Bill down to the Senate and asked for the second reading only to shelter himself behind the statement that this will be all changed in the Committee. I can only take the straight statement and proposition of the Government.

Now, while I have as big a heart and as great a sympathy as anyone for the small holder of a few years' savings who has deposited them in the bank and lost, I have no compassionate sympathy at all for the business man, for the millionaire, for the man of means, who has put his means there and has lost, but who has yet plenty to live upon and does not need either the charity or the forced relief of the country.

When we come to look into this business as regards loss under the war, and compensation for loss because of the war, we have to extend our sympathies a little bit, I think. There are others who have suffered on account of the war. We have got to take in more than one class. There are other poor families from one end of this country to the other to-day who, because of that war, are living in poverty and want, but for whom we are not asked to pour out from the fountains of our sympathies. In expressing our sympathies for those who have lost by the war, we are confined to one class and to one class only. My honourable friend who leads the Opposition (Hon. Sir James Lougheed) warned some of us against too much coldness in looking at this matter, particularly the men of the East, who were outside of the warm atmosphere which is found in some other places in this Dominion. He warned those cold hearted men that they should get into the sunlight, as it were, and become warmed up by circumstances of a local kind, and then their sympathies enlarged. Is not the rejoinder would be pertinent that perhaps some people who are close to the hot centres might be helped to a more judicial view by an infusion of cool Hon. Sir GEORGE FOSTER.

judgment away from the heated centres? Well, just to ask a plain English question about it: who are interested in the passage of this Bill? My honourable friend to my right gave us a fairly comprehensive statement as to those who were interested-60,000 depositors, he said, but probably 200,000 people who in the end would be affected if this Bill were passed, or were not passed. Granted that you have 200,000 persons who are interested in the passage of this Bill,let me state it in a plain English phrase-interested personally and selfishly in the passage ot this Bill. If this Bill passes they will draw money from the public funds; if the Bill does not pass they will not draw those moneys from the public funds. Let them have every right to their claim that their consciences and their circumstances warrant, yet it is a selfish not necessarily a wrongful interest that they have in this legislation.

Now, as regards those circles, the atmosphere is decidedly warm. I know it; we know it; whoever has received heaps of telegrams and letters asking us not to desert them at this fatal and trying moment knows it. It is particularly warm there. But subtract, if you like, 200,000 people from 9,000,000 people, and you have some 8,800,000 people left in this Dominion of Canada. Is the atmosphere particularly warm amongst those 8,800,000? Those 8,800,000 are not pressing for this legislation; speaking generally, every man, woman and child of those 8,800,000 people has borne his burden and his losses on account of the war, and is bearing them to-day; and the passage of this Bill is nothing more nor less than a forced loan put upon those 8,800,000 of the people of this country in order to satisfy the claims, of the nature that I have described, of the 200,000 persons.

Now, that is a statement which I think cannot be greatly questioned, and it ought to sink into our minds and have its true weight. But how about others? Are there not others, as I have said, who are sitting in the shadow to-day in this wide Dominion of Canada, and who have lost and lost heavily in money, in profit, in future prospects, as well as in other more intimate and important ways? But these others to-day find no Government coming forward and no Parliament ready to say that though they have no money of their own, being poverty-stricken in revenues and with tremendous liabilities ahead of them, they are prepared to be sympathetic towards them and to show it by raising money by loan to satisfy the losses they have made.

Just here, whilst it is fresh in my mind, I want to utter my protest against the vicious kind of financing adopted in this Bill. Who

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does not know the type of man who is always financing his affairs by the easy giving of promissory notes, as long as they will be accepted, and who feels that he has conquered the difficulty when he has floated a note or has given his promise to pay? I want to ask this House whether that is the type of man who is a safe economizer and financier, a safe manager of a business? When a prudent man has before him the consideration of an expenditure, he asks himself, "Am I able to afford it? Have I the ready money?" If the answer is negative, as a rule he denies himself. What is true of the individual is true of business corporations, and it is intrinsically and fundamentally true of Parliament. Surely a Parliament should not finance itself by loans for charitable purposes or for fleeting and incidental requirements. Loans are satisfactory as a method of procedure in great enterprises which promise productive results, and sometimes even in necessary enterprises when they do not promise such results. But as a rule a Government in its financing operations must be strictly held to its possibilities of present payment, and it must cut its garment according to its cloth. The expenditures of a country must bear close relation to its revenues. But how easy it is, how shiftless and how shifting it is, for a Government to say: "Yes, it is true that we have no surplus, that we are up to the limit of possible taxation, and that the people will bear no more; but here is an expenditure demanded but for which we have not the money, and for which we do not wish to increase the taxes; we will not take the onus of including it in the Supply Bill and facing the deficit manfully, but will make a loan and throw the responsibility upon the shoulders of the present generation and the generation that comes after." If that principle is adopted in Parliamentary finance, the first step is taken on the road towards financial ruin.

Take the history of this Parliament and its precedents; look through all the appropriations which have been given for what may be called sympathetic or compassionate purposes. Do you find a single instance in which the Government has voted a sum towards relief after a great disaster or a local calamity, and then put a loan upon the market in order to pay it? That is what the Government is doing in this case, and that, to my mind, is following out a system of financing which can only spell ruin if it be persisted in.

I was going on to say that other people than the depositors in the Home Bank have suffered on account of the war. I spoke of several classes. This feature has been alluded

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to already in this debate, but it is important enough to be alluded to a second time. What are the other classes who have suffered by reason of the war? The farmers of this country have suffered because of the war. No man went up and down this country trying to persuade people to put their deposits in the Home Bank; but men in every rank of life, from the highest to the lowest, went through this country and pleaded with the farmers to put their money, their muscle, their profits for the future, into the agricultural work of producing, and producing, and The farmers did this, for their producing. own gain, but for patriotic purposes as well. Now, what happened? The war went on, and when it suddenly closed, the result was that in a trice those farmers found the prices of their produce reduced to one-third of what they had been when they put their muscle and their money into the land to produce the result asked for. But if they found that the prices of their produce were reduced, they did not find their expenses equally reduced. They went on for months and years before their expenses were reduced. What happened? The result is, to put it broadly, that in this country to-day there are not simply 60,000 who deposited their money and brawn and muscle in the great bank of agriculture. not 60,000 nor 100,000 alone who are affected, but all through the length and breadth of this country, from one end to the other, farmers to-day are to be found in comparatively straitened circumstances because there was a war and because they met the calls that were made upon them. And what good Samaritan, what largely sympathetic person has come to either the House of Commons or the Senate and has asked that a number of millions of dollars should be borrowed and paid out to these farmers to reimburse them for the losses they incurred because of the war?

Others than farmers have been in the same position. Consider the professional men. Lawyers closed their chambers and locked their doors, went overseas and fought in the war and came back after having incurred the perils of war, only to find that their clients had gone to others and that their former relatively good businesses were entirely destroyed and that they had to commence anew. The same is true of doctors, college professors and teachers. Tens and hundreds and thousands of them did that and came back. They suffered, and they still suffer from the effects of the war, but I do not find any Bill presented to Parliament to compensate them for those losses which would

not have occurred to them if it had not been that there was a war.

So we go to the student. How many of our students from high school and college and university left their classes after they had fairly well commenced their course, fought during the war, braved its perils, and came back again years afterwards with their college or university prospects absolutely blasted? They had maybe a chance to overtake the course by several years more of hard work, but what a cut out of their student and manhood lifetime was that? I do not know that there has ever been a motion or a claim that has resulted in an action in Parliament to have those students recouped for what they lost on account of the war.

So you may go through the productive industries, the transportation business, and all the businesses and enterprises of the country, and you will find the same loss on account of the war; and if you are going to make it a rule to compensate for losses which occured as a result of the war, you must extend the basis so that it will be just and fair in its application.

Those are thoughts that cannot help having lodgment in our minds, and I think we must ask ourselves this further question: did these depositors in the Home Bank mortgage their future? They had ready cash, the savings of some years. That was their own money, unencumbered. They put it into the bank and they lost it, but all the time neither limb nor faculty of those people was in the least blighted or imperilled by actual war risks. They went on with their daily work, whatever it was. They earned money and they saved what they could, after having paid their expenses.

How many of these other classes of whom I have spoken-students, professional men and others-how many of them imperilled life itself, and mental and physical organization and standards, because of the war? And what have they received for it? I take you down to a home that I know-and it is indicative of hundreds and thousands of others -and I put this homely picture before you. There sit the aged mother and father. They had two sons. Both went to the war. One gave up his studies, half completed; the other his farm life, which had subsisted for years. After two, three or four years at the war, one was laid in the soil of a foreign country; the other came back home, no better-no, not so good as when he left. Now, honourable gentlemen, I ask you, with your sympathetic hearts, to consider on the one hand that woman, and on the other side the man who

put \$1,000 into the Home Bank as a depositor and who lost his money. Question those two persons. What were their comparative sacrifices? If sympathy goes to its proper lodgment it will go to the mother, who gets nothing, though she has lost almost her all, and it will not all go to the person who in the course of business, in order to obtain a return upon his money or to put it into safe keeping, deposited it and lost it, but who lost nothing else, whether in life or limb or prospect. I think that that is an object lesson which may well direct an argument and may well lie at the bottom of an action.

Now, I do not want to keep this House too long, and I simply put these questions, rough and ready, for the consideration of my fellow members of the Senate.

I go on now to another point. What is a bank? A bank, when we come down to the definition, is simply a business corporation. A number of men with capital, more or less, associate together and under regular form they constitute themselves into a bank. The business of banking corporations and companies, loan and other, are matters of public interest as well, and what Parliament does, and all that Parliament does, is to prescribe what shall be the powers and functions of those corporations, to lay down certain regulations to which they must conform, and provide for certain acts of supervision or inspection which, for the greater comfort and security of persons who do business with those companies, the Government undertakes, not as guaranteeing the results, but as additional safeguards to those who operate in and with those companies. The Government gives the charter The Government sets down the for a bank. conditions and the functions of the bank, and imposes obligations regarding the submission of reports, and publishes those reports for the benefit of the public. It provides supervisory apparatus as far as it will go. There the Government stops and says: "We do this to give you, as far as possible, sure foundations for your work, but we repeatedly and determinedly make it known that we do not become at all responsible for results. When you go into this bank-into this corporationinto these companies-you go at your own risk."

What I fear is this, that if the proposed legislation is passed, so close has the argument come to declaring the Government responsible for failures, that you will launch yourselves upon a road in which will ultimately lead to a practical acknowledgment of responsibility for the safety of bank depositors and the result of the bank. You are very close to it now.

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My honourable friend there (Hon. Mr. Dandurand) says that if we had had the legislation which was passed in 1924 and which we now have, we should not have had this How does he know? No one knows. crash. Put on whatever inspection you like; the human element is still in the bank and you are not absolutely fortified against loss, nor will you ever be; and if by ingenuity of reasoning you can find grounds now, under the present inspection, for holding the Government morally, if not legally, responsible for loss, you may depend upon it that ingenuity will not be lessened in the future, and that one step in this direction will lead to another.

I think that my honourable friend here showed a sign of dissent to my honourable friend opposite in reference to that remedial or restrictive legislation of 1924. My honourable friend to my right (Hon. Mr. Robertson) called it fool legislation. My honourable friend yonder declared that it would preserve us from any recurrence of a difficulty such as we have had. My honourable friend the leader of the Opposition (Hon. Sir James Lougheed) took exactly the same view. Here is a difference, a difference between authorities. But the trend is shown when my honourable friend here would do away with the act of 1924 and its accompanying assertion that the Government did not, by putting on this inspection, become responsible for losses. He would tear that down and make it all the more easy for claims to be urged along the line that the Government did not do this and did not do that, and consequently it had to bear the moral responsibility, which is tantamount to the legal responsibility. That is the trend, and to that trend we give a decided impetus if we pass this legislation. That is my view in this respect.

Now, let me go to two other points, with which I shall conclude what I have to say to-day. It has been well said by someone in this debate that circumstances make it easier in certain times to do a sympathetic and compensatory act, which would be almost impossible under other circumstances. If the Treasury is flush, if you have a reasonable taxation and it is not an over heavy burden, and if you wish to launch into schemes that are not absolutely necessary or legally re-quired, you have a little more leeway in which to do it than under other circumstances. I put it to each honourable member in this Chamber, as I put it to myself: what are the financial and economic conditions in Canada to-day? We say them over and over again until they become like pattering rain, on rock, which may have some effect in the

long run, but which has not much at the precise time it falls. We say we are labouring under an enormous debt—and we are. It is not a fable: it is not a pipe dream. The debt is there, and it is two billions and a half of dollars for nine millions of people. Let us consider what that means, comparatively. When we went into the war over eight millions of people owed 333 millions of a debt. Now nine millions of people owe a debt of two and a half billions; and that means a burden of interest and the obligation to repay at some time or other. Is not that debt sufficiently high to-day?

Here is a Bill which proposes to add five and a half millions of dollars to it. Is it reasonable to say that, with a Treasury depleted, with a debt of such stupendous magnitude and an intolerable rate of taxation, which must be paid in order that we may carry on— is it reasonable to say that we should rush into an additional five and a half millions of debt, to be added to our burden, unless it is necessary and absolutely justifiable? I think we have to consider that point.

But that is not all. Men may refrain from talk because sometimes it is not wise to talk overmuch and outright. We are all jealous of the good name of Canada. We do not want to say a word, here or elsewhere, which may be used against Canada and may have inside the country a depressing effect and outside the country a competitive effect. But we must not blind our eyes to the facts. We have alongside of us for our whole frontier a vastly strong, powerful, and attractive nation. It has always drawn, it does now draw, and it always will draw, in a competitive way, upon the people and the resources of Canada. We ought not to make between our country and that a contrast any greater than it now is. Look at what is being done on the other With a tenacity of purpose and a side. shrewdness unexampled, under President Harding as a commencement, under President Coolidge as a continuation, that country has deliberately set itself to two things. One is to diminish by hundreds of millions each year its public expenditure until it has drawn it down pretty nearly one-half since the Armistice. Take that into account. That is followed by the remission and reduction of taxation. The income tax in the United States of America, when another year is passed, will have been cut almost into half. Neither the debt nor the income tax of Canada is being cut to any appreciable extent. Our debt is piling up year by year. The other country shows all its advantages and a debt decreasing by millions year by year. More than

\$300,000,000 was struck off their debt last year. Nearly that amount will be remitted in taxation this year. The contrast is not in our favour. If there was a magnet in the United States before, in lessened debt, lessened taxation, and consequently easier methods of living, its powers of attraction are now heightened.

What are we doing to reduce the contrast? Do we expect that, if that contrast persists and increases, our people will not feel more and more the attraction towards the other side of the line and its influence on our resources? You cannot blind your eyes to that. No sophisims and no pleasant words will do away with that fact.

Go out into your rural communities. Sit down beside your doctor and ask him how many certificates he has made out during the last year-the last month-the last week-for Canadians who are crossing to the other side, and who must obtain those certificates as a sine qua non to entry into the United States. You will get the answer. Go to your parish priests, your curés, your clergymen, and you will receive the same answer. Go to your Minister of Colonization in the Province of Quebec and ask him what is his experience in this respect, and you will find that it is on the same line. This is a vital question. We must reintegrate our affairs. We must bring our expenditures nearer to an equality with our revenues, if we cannot reduce them to something below. Unless we do, as surely as the years pass by, we shall feel the effects of that magnetic attraction.

Now, I think it is the duty of this Senate to stand over all proposed expenditure, and use its united influence, strongly, persistently and consistently, to do away with that disparity which is prejudicial to our present, and may easily be fatal to our future—certainly fatal to that progress we expected to be made within a certain lapse of time.

We in this Senate and the members in the House of Commons are not exactly free to use our individual preferences and wishes, and exercise our individual sympathy. I praise and honour the man of broad and wide and warm sympathies, for without a human heart the man himself is a temple without an altar, a thing without a soul; but I say that in the main these human sympathies of ours are to be expended by our individual acts, and not by the vote of a Parliament, taking the money of the country and expending it along sym-pathetic lines. I say that we are here as members of the Senate in charge of a trust. Those moneys that come in to us are not our moneys. In almost every act we must to a certain extent infuse into our parliamentary work the

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heart of humanity, with humanness and with warmth; but there is a certain point we dare not pass and allow our sympathies to run away with our trust duties. If we ever had a trust duty, that duty to-day is to stand firm and strong against all expenditures that are not absolutely and vitally necessary.

I have had sheafs upon sheafs of telegrams and letters, as you have all had. After all, we are bound to exercise our duties in this House, as in the other House, as trustees for the future of our country, and trustees especially of its money and financial resources. Consequently I ask myself the question: what is my duty in this particular matter? Under all the circumstances, as I have roughly reviewed them, is it to add five and a half millions more to the sum of our debt, our burdens and our liabilities, or is it to curb our own natural sympathies as individuals, and do what is just and right for our country and its larger interests?

Who called this failure of the Home Bank a national disaster? It has been so called, yet it is everything else than a national disaster. How can we exaggerate language in that There might have been a national wav? disaster if all the banks in this country had gone crashing, or nigh to crashing; that would have threatened a national disaster. This is simply a local disaster, hard enough in many of the cases, in the localities where it operated. Our sympathies are stirred, our human feelings are wrought upon, for in those localities there is trouble; but we must make the general equation, and spread our thoughts and our sympathies over the whole of Canada. What I rebel against more than anything else is the injustice, the absolute lack of any just foundation, upon which this legislation is proposed to be put into practical operation. Is it a compassionate allowance? Then the help should go to the most needy cases. Is there any doubt about that? But in this Bill there is no distinction made as to need and degree of compassionate relief. Your millionaire had his account with that Bank; sometimes he had an advance, sometimes the opposite. At the time the Bank broke he had \$3,000 or \$4,000 to his credit in the Bank. Yet he is one of your distressed and compassionatelyconsidered depositors; and I am asked, and you are asked, and men who have had their own sufferings and made their own losses, and have stood both, are asked to put their hands in their pockets and repay to him his \$4,000 that, in the way of his business, he happened to have in that Bank. Meanwhile he plays his golf; meanwhile he runs his automobile; meanwhile he has all the luxuries of life; yet

we are called upon to make a forced loan out of the pockets of the taxpayers of the country, to pay him back that amount. Is that not in the Bill?

Hon. Mr. DANDURAND: But my honourable friend can correct that, if he thinks he can, in the Committee.

Right Hon. Sir GEORGE E. FOSTER: What a situation for the leader of the Government —to come down with a Bill which is the result of incubation of three or four years, that has been fought through all kinds of committees and processes, then in the Cabinet, and finally resolves into saying: "That is what we will put in our Bill; that is what we consider just; that is what we will ask;" and that is what they have asked.

Hon. Mr. DANDURAND: And what the Commons ratified.

Right Hon. Sir GEORGE E. FOSTER: I am not at all disputing that, but I ask my honourable friend if the proposes to gauge his conduct on all occasions exactly by the weight of majority in the House of Commons.

Hon. Mr. DANDURAND: No, but I can amend the Bill in Committee if it is not on all fours, according to my judgment.

Right Hon. Sir GEORGE E. FOSTER: There is no need of going further with that: Now, if the compassionate idea is what is to prevail, are there not some compassionate subjects outside of those who had credits? I am told that hundreds and hundreds of farmers in this country put practically their all into shares of stock in that Bank, and that those men have lost it, and are now brought before the courts for the double liability, and whether it can be got or not it is pressed to the limit. You can find through this country hundreds and hundreds of farmers who are to-day in comparative want and straitened circumstances thereby. Are they not subjects of compassion as well as the investor who put his money in for the interest that he could draw from it?

Hon. Mr. DANDURAND: The shareholders were partners.

Right Hon. Sir GEORGE E. FOSTER: Then treat them as partners, and if a poor man has put his all in there, and is now in want from that, I am not averse to a compassionate allowance when that matter is thoroughly sifted, and the result reached. But treat them in an equal manner. They are partners; therefore treat the other man in the same way in the same circumstances.

Hon. Mr. DANDURAND: They must pay their debts.

Right Hon. Sir GEORGE E. FOSTER: I think that part of the Bill is absolutely unjust and discriminative in its foundations, and I for one cannot agree to a Bill going into operation in that way.

Finally, let me say that, so far as I am concerned, if we came down to a full, complete examination of all the circumstances, and found some cases of absolute want and poverty, I would not be averse to giving compensation on that line; but I am not able to say that we shall give compensation, taken by a forced loan from 8,800,000 people, and give to hundreds and thousands of people who, though they made losses in the Bank, are yet upstanding and well-to-do and flourishing members of the community.

Hon. Sir JAMES LOUGHEED: Would my right honourable friend pardon me if I asked him a question? Was he not a member of the Borden Government in 1914 when that Government prepared a Bill similar to this and submitted it to Parliament, asking Parliament to pay the depositors of a defunct bank, and was he not a member of the Commons who voted for that Bill?

Right Hon. Sir GEORGE E. FOSTER: May I reply to my honourable friend in his own words—that we are not bound by precedents absolutely; that there is no more irresponsible body in the world than the House of Commons or a Parliament.

Hon. Sir JAMES LOUGHEED: That is a fair answer.

Right Hon. Sir GEORGE E. FOSTER: I think he has given me sufficient shelter for that. But in precedents circumstances differ widely, and no man adopts a precedent unless he can fit it more or less accurately to the present circumstances; and the circumstances of to-day are absolutely different from those of that time.

Hon. Sir JAMES LOUGHEED: But the principle is the same.

Hon. F. F. PARDEE: Honourable gentlemen, the right honourable gentleman for Ottawa (Right Hon. Sir George E. Foster) paints a picture with which in some ways I was disappointed. Having the Bill before us, I had hoped that we would get away from something which to my mind is entirely extraneous, but which has been harped upon so much in this House during this Session, namely, that we could not grant aid to these people because no matter where you went you would find that our people were leaving us in thousands, and as a consequence the Home Bank Bill ought not to go through. We have heard that repeated ad infinitum in this House and in the other House. I believe that sort of argument is absolutely extraneous, and that this Bill should be considered solely on its merits.

I am not approaching this Bill from the sympathetic standpoint at all. I am basing the vote I shall give in favour of this Bill on the ground that I think this House is bound to give such a vote in order to carry out what was really the trust of those Governments that have preceded the present Government. The right honourable gentleman says that we have a trust, and that the moneys that come into the treasury of the Dominion of Canada must be voted by us as a trust. That statement applies equally to the argument that I propose to submit to the House, in this way. The right honourable gentleman said that this might be considered as a war I am perfectly in accord with that loss. statement. It might be considered as a war loss, for this reason, if no other, that the then Acting Minister of Finance before whom the state of this bank first came, Sir Thomas White, said frankly that he would not think of taking any decided action, in so far as the Home Bank was concerned, during the course of the war, for fear of its effect on the

So far as that statement is concerned, and the position taken by Sir Thomas White, I am not saying whether it is right or wrong. Sir Thomas White may have been thoroughly convinced that if he took such a step it would have been absolutely wrong; and I leave it at that. But this I do say, that if he took that position he impliedly said that, so far as he was concerned, and the Department of Finance, if he had looked into the affairs of the Home Bank he would have had to do something drastic about it. I think that that deduction cannot be gainsaid, and that it is as logical as any deduction can be. Frankly he took that position, and the Home Bank went on.

The right honourable gentleman asked, what is a bank? First, a bank has a charter granted by the Government; a bank has certain safeguards put upon it by the Government, for one reason, and one only, to protect the depositors and those having dealings with that Bank. There, I say, the trust comes in, and I say most decidedly that a trust existed in the Department of Finance, headed by Sir Thomas White at that time, and that if he had actively exercised the trust that he should have exercised, he would have said to those people who knew that certain things were going on concerning the Bank, that so far as the Government was concerned he felt it his bounden duty to look into those things Hon. Mr. PARDEE.

Remember, I am not finding fault with Sir Thomas White on the stand that he took at that time.

Then, we come down to the succeeding Government, opposite in politics, but the same state of affairs was brought to the notice of the then Minister of Finance and the then Government. People were being alarmed; depositors were undoubtedly becoming nervous; shareholders were frightened. They made the representations over again; but for some reason, I know not what, no more notice was taken of those representations than had been taken of the matters that had been put before the preceding Government. The Bank drifted on; the crash came.

Does anybody want to tell me that, in those circumstances, and with the succeeding Governments seized of those facts, there was not a trust in whatever Government was in power, to see that, so far as they were humanly able, the affairs of that bank should be looked into, and that those people should be saved if it was at all possible to save them?

The claim embodied in this Bill is as near a legal claim as anything can be without being such, and I know it is not; but if ever there was a strong moral claim presented to the Parliament of this country, the Home Bank case is the strongest moral claim that could possibly come.

My right honourable friend paints the picture of a millionaire who plays golf and rides in his automobile; but I want to say that the majority of people who were depositors in the Home Bank are in very humble circumstances, and not people who play golf and drive automobiles. They are people who have saved their little all by dint of the hardest possible work, and who deposited in that Bank their savings with a sure and certain hope that they would be properly prctected, and that they would get their money when the most need came to them, in their later years. Those are the people who are vastly affected by this Bill.

The right honourable gentleman speaks of 200.000 people, and says this is not a naticnal calamity; but I say that very few calamities, national or otherwise, ever have overtaken a small country like Canada, or even much larger countries, that have affected 200,000 people. I again say, with all the might that is in me, that if ever there was a moral case in which people should have made up to them the losses they have incurred, this is the case, by reason of the circumstances by which it was surrounded.

The honourable gentleman says, "Ah, but look at the others who have suffered!" True,

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there were others, hundreds of others, who suffered during the Great War. But in so far as this country has been able, she has made up to those people, in pension and dependent allowances and otherwise, and has done everything humanly possible to put them back into the position in which they previously were.

The honourable gentleman says the farmers produced, and produced, and produced. True. they did. And they sold, and during the war they sold at the largest prices that were ever got in the history of this or any other country, and during those years they made more money than they had ever made in their lives before. It is true that they produced during the last year of the war and that prices dropped; but even if the farmer did lose on the price of his product during the last year of the war, unlike the depositors of the Home Bank, he had his capital left. He had his farm, and he could go on producing. I take sharp issue with the statement of the honourable gentleman that because prices have dropped farmers are practically in a state of penury. The farmers have not done badly. They have had a hard row to hoe, but, with the spirit and the brawn of the sons of this Dominion, they will pull through. They do not need much sympathy. But, for the poor washerwoman and the poor labourer, and that class of men and women who deposited their all in the Home Bank, I do say there is the strongest moral claim possible upon the Parliament of this country to vote to them the \$5,500,000 requested in this Bill.

Hon. J. D. REID: Honourable gentlemen, I wish to say a few words on this Bill before I cast my vote. I believe this is one of the most important Bills that ever came before Parliament, and I believe that every member of this House has given it very serious consideration. I regret that the Bill has been left until two or three days before the close of the Session. It could very well have been brought down early in the Session when this body would have had an opportunity of placing it before a Committee and getting at the facts connected with it so that we could vote intelligently upon it.

I believe, honourable gentlemen, that every honourable member of this body wants to do what is right. We do not want to do an injustice to those who had money deposited in the Home Bank, neither do we want to do an injustice to the 8,000,000 people in this country. But no information of any kind has been given to the members of this body to assist them to judge and decide whether or not it is right and just to vote this large amount of money.

I have listened to the speeches of honourable gentlemen who have spoken in favour of the Bill. They have made a strong case: They say, as the honourable gentleman who has just taken his seat (Hon. Mr. Pardee) has said, that if we do not pass this Bill the poor labourer and the poor washerwoman and other people of that class will suffer a great injustice. I do not believe there is a member of this honourable body who would not be very glad indeed to vote a compassionate allowance to people of that kind who may have lost money in this bank. On the other hand, other honourable gentlemen have spoken of the great injustice which will be done to the 8,000,000 people in this country if this Bill is passed, and have pointed out that a large additional amount will be added to the indebtedness of the country. Then it is spoken of as a war measure. Well, we have two billions of debt against this country, the greater part of which was caused by the war. So far as I am concerned, if there is any just claim that the people of this country should pay the depositors of the Home Bank or anybody else losses incurred in connection with the war, I believe that the people of this country are willing to settle such a claim so long as they believe it is right and just and fair.

By this Bill we are asked to vote \$5,450,000, from which every depositor is to get 35 per cent of his deposit in the Home Bank. While I believe that if the Bill had come before us in time to go to a Committee, we might have been able to grant a compassionate allowance of some kind, I am not satisfied at this moment that we should pass a blanket bill to give 35 per cent of his deposits to every one of the depositors. Let me cite a case to show why I am not satisfied. A number of the directors of this bank have been tried and convicted of bringing the bank to failure. Some of those directors may have had large deposits in that bank. So far as I am concerned, I would not on any terms agree to give to any of the directors 35 per cent of any amount which they had at their credit at the time of the failure.

Then, again, it has been stated in the newspapers that the cause of the failure of the bank was the organization of several large companies by certain of the directors. Are we going to pay to those companies 35 per cent of their deposits, and in this way indirectly pay the money to the directors who brought about the failure? If I am to believe the statements that I have heard, the greater part of the deposits in the bank were deposits of those who were really to blame for the disaster.

If the Bill had come to us before, we could have had information on these points. Why should not every member of this House have had a printed list of the depositors in the bank so that we could see to whom we were paying the 35 per cent? Further, there are a number of wealthy individuals who had money on deposit in the bank, some of them very large amounts, and under this Bill we are asked to vote to those people, who could well afford to lose, 35 per cent of their deposits. Yet we are told by some honourable gentlemen that if we do not vote this money to the directors who had large deposits, and to the companies which had large deposits, we are going to hurt the poor washerwoman and the poor labourer. If I had a list of the depositors before me and the names of individuals of that kind appeared upon it, I would feel justified in trying to see if we could not do something to help them. Clause 4 of the Bill says:

Nothing herein contained shall authorize the payment of any portion of such sum to any person or Government entitled to a charge upon the assets of the bank.

That refers to local Governments as well as to the Dominion Government. Twenty-five per cent has been paid to the depositors, and before I vote upon this Bill I would like to know whether the Ontario Government got 25 per cent of the \$1,000,000 or \$1,500,000 which it had deposited in that bank. What about the other local Governments? Are they going to keep that money and not come to the help of the people in their own Province? I say the Ontario Government should not take the money and put it into its own pocket, but that it should assist to the extent of the 25 per cent that it received. In my judgment, if these facts were all placed before us, we could save a great deal of the \$5,000,000 to this We could take the amount the country. directors had to their credit, and the amount that the companies I have referred to had to their credit, and could probably add the amount to the credit of wealthy depositors who could well afford to lose the money, and if these amounts were deducted from the figures mentioned in the Bill, we could effect a considerable saving to the country and still do justice to those who are suffering.

As I have said, honourable gentlemen, I do not like to vote for the Bill without information or evidence upon it. On the other hand, I do not like to vote for the amendment moved by the honourable gentleman from Montreal (Hon. Mr. Foster) because in doing so I might do an injustice to some people that we do not know about.

Another reason why I hesitate to vote on this Bill at the moment is that the liquidator has not yet completed his work. He has Hon. Mr. REID. still to collect some more assets. It will probably be three or four or five months before he will know how much the depositors will get. Should we not have that final statement of the liquidator before us showing the total liabilities to the depositors at the time of the failure? Should we not have a statement from him saying: "I have done my duty and have closed up the whole matter, and have paid to the depositors 25 per cent or 30 per cent or 40 per cent, whatever it is, and here is the amount the depositors will lose?" I have an amendment to the amendment which I desire to place before the House. I will read it, and explain the reasons for it. The amendment reads as follows:

That further consideration of this Bill be postponed until the liquidator of the Home Bank has made his finai report showing the total losses made by the depositors after the proceeds realized from the assets have been distributed among the depositors; and, further, that a full list of depositors, showing the amount of losses of each depositor, has been prepared and submitted to Parliament.

If my amendment should carry, honourable gentlemen, it is hardly possible that this Bill should pass to its final stage at this Session. But is it being unfair to those who had deposits-is it not fair to the country as a whole-is it not fair to everybody-that we should let this Bill stand until we can get that information? If we can get the information before the end of the Session, all right; but, if we cannot-and I venture to say it will take the liquidator five or six months more to complete his work-we will not be doing an injustice to people of the class that the honourable member from Lambton (Hon. Mr. Pardee) has mentioned. We will do what is fair and right when we have the facts before us, and I believe the people cf the country will stand by us in what we do. I believe that under this amendment we could save millions of dollars out of this \$5,450,000 that we are asked to vote to-day. If a man had \$2,000,000 or \$3,000,000 in that bank, surely we are not going to give him \$250.000 or more. Surely we are not going to vote money to the directors who have been convicted and sent to prison for wrecking that bank.

I cannot vote on this Bill without having the facts before me, and I appeal to honourable members to support this amendment, and not to say to the depositors. "We will not give you anything," or to the people of Canada, "We are going to give these people your money without investigation." Let us have an opportunity to go into this matter thoroughly. Let us say to these people, "We will do justice when we have the facts before us."

If my amendment is not in order, following the amendment of my honourable friend, I would ask the honourable gentleman if he would consider withdrawing his amendment in order that the one I propose may be voted upon. I appeal to him to give the members of this honourable body an opportunity to examine into the facts, so that we may judge. After we have had the information before us, he can have the same opportunity to introduce again a resolution such as that which he has moved. I know that there is not in this House any honourable member who would go further than my honourable friend who has moved the six month's hoist, in order to do justice to any person, whether rich or poor. The honourable member wants to do what is right and fair. But, as I have stated, if his motion were to carry it might have the effect of doing an injustice.

Therefore, Mr. Speaker, I beg to move my amendment, seconded by Hon. Mr. White (Pembroke). I do not wish to interfere with any other motion that is before the House, but if His Honour the Speaker cannot see his way clear to rule that my amendment is in order, I ask that the honourable member from Alma (Hon. Mr. Foster) consider favourably my suggestion that the House be given an opportunity to examine further into this matter.

Hon. Mr. MACDONNELL: May I suggest that the list called for in that amendment to the amendment should contain two things: one, the vocation in life of the individual; and the other, his address.

Hon. Mr. REID: I may answer the honourable member in this way. The amendment provides for our requesting a list of shareholders, but when it is before Committee we can ask for all the information that the honourable gentleman suggests; and I believe we would obtain very much more. If you can only see your way clear to vote for the amendment I propose, I believe that as to individuals such as those described by the honourable member from Lambton (Hon. Mr. Pardee) and by the ex-Minister of Labour (Hon. Mr. Robertson), and that class of people, this House and Parliament and the people of Canada will always be ready to do them justice; but we are not willing, in my opinion, to vote 35 per cent to depositors who have been directors with money on deposit, and who wrecked this bank, or to other individuals who were behind it and wrecked it, though not legally caught. Let us have all the information before us. If it turns out that it is necessary to vote the \$5,000,000, every man will feel from the bottom of his heart that he has had an opportunity of examining the facts and learning the situation, instead of being practically in the position of giving approval to this Bill like a rubber stamp.

Hon. Mr. DANDURAND: Surely my honourable friend does not serious'y believe that there is money at the credit of the directors. He knows very well that those directors have a double liability, and they are being sued for that double liability.

Hon. Mr. REID: Let me point out to the honourable leader of the Government that this Bill says that we are to distribute \$5,000,-000 among those who had money on deposit on such a date. That is what it says, and that is what can be done. These directors will get the 35 per cent, and it will help them to pay their double liability. Farmers who may not have had any money on deposit, but who had invested their little savings in shares, will have to meet the double liability, but they will not get any of this money, because they did not have anything on deposit.

Hon. Mr. DANDURAND: But the depositors who were directors will receive nothing under this Bill.

The Hon. the SPEAKER: The honourable gentleman from Grenville (Hon. Mr. Reid) has asked whether what he proposes as an amendment to the amendment is in order. I must say I do not consider it is. The amendment moved by the honourable Senator from Alma (Hon. Mr. Foster) was an amendment to the main motion:

That the word "now" be struck out and the following added: "This day six months."

The motion proposed by the honourable gentleman from Grenville is not an amendment to that amendment.

Hon. Mr. REID: I am very sorry. In view of the ruling of His Honour the Speaker I make an appeal to the honourable member from Alma that he will give this honourable body an opportunity of voting on my amendment, and having the proper evidence laid before us, which will enable us to justify our vote, whether for or against the Bill.

Hon. W. B. ROSS: I would suggest to the honourable gentleman that he insert in his motion, "That this Bill be not read for thirty days," and then provide for all the rest of what he proposes. That would make it an amendment to this motion to adjourn for six months.

Hon. Mr. REID: I think that the straight way would be the best way to do it.

Hon. Mr. ROBERTSON: Honourable gentlemen, would not this be a way out of the difficulty? If the motion of my honourable friend from Alma (Hon. Mr. Foster) is not approved, the amendment of the honourable gentleman who has just spoken would be in order.

Hon. G. G. FOSTER: Honourable gentlemen, I am not wedded to the resolution I submitted to this House yesterday. I made that motion because I thought it was in the interests of the country. With the consent of my honourable friend who seconded it, and of other honourable members of this House who concurred in the principle of that amendment, I am quite willing, if it is the wish of this honourable House, to withdraw my motion for the adjournment of this question for six months and to permit my honourable friend from Grenville to introduce his motion. I want to say, however, to my honourable friend and to this Chamber, that in making this concession I am not willing, either for myself or for others for whom I am speaking, to accede to the idea that if at another Session there arises another discussion of this question I shall take the same view as my honourable friend does. When another Bill is submitted to this House we shall give to it, as to all measures, the best possible attention and care. With the consent of my honourable friend who seconded it. I will withdraw the motion which I made yesterday.

The amendment of Hon. Mr. Foster was withdrawn.

The Hon. the SPEAKER: Then the amendment will be that of the honourable Senator from Grenville (Hon. Mr. Reid).

Hon. J. G. TURRIFF: Honourable gentlemen, I wish, in a very few minutes, to give the reason that decided me to support this measure when it was introduced. I must confess, however, that the remarks I have heard from honourable gentlemen on the other side, this afternoon, seemed to have a great deal of weight. But there is one ground that appeals to me very strongly in favour of doing something for the depositors. We all know that when the situation of the Home Bank was brought to the attention of the Government, the conditions of the country were such that the then Minister of Finance felt justified in taking no public action. If public action had been taken, about ten millions of dollars that was afterwards deposited in the Home Bank would not have been deposited, and therefore the depositors to that extent would have saved their money. Hon. Mr. REID.

I do not wish to be understood as casting any reflections on Sir Thomas White, who was Minister at that time. He was, in my judgment, no more to blame than any of the other members of the Cabinet. They were all in the same boat. It is easy for us to judge after the event, but probably most of us, if we had been in his position at that time, would have considered that, the country being at war, it would be very detrimental to Canada to allow that Bank to fail.

Sir Thomas White stepped out of that position. All the facts were placed before his successor as Minister of Finance and before the Government, and they were as much responsible, or as wrong, as the former Minister had been. Subsequently, in 1921, there was a change of Government. When the Finance Minister of this Government came into office he knew all the facts, just as well as the former Minister knew them, and he made no change. But he was not more responsible than the other members of the present Government. They were all, to my mind, in the same boat.

Therefore I am led irresistibly to this conclusion: the first Government was to blame for continuing the Bank in existence without any effort to inspect it and ascertain just what was the matter, and what was the actual con-The second Government was in a similar position, and so is the present Government. Therefore it was the Government of the country that was responsible for eight or ten millions of dollars being deposited in the Home Bank after it was generally known that there was something wrong with the institution, and if three Governments, or three different Finance Ministers, were responsible for those later deposits being put into the Bank and largely lost, surely the Government is under some obligation and ought to make some compensation to the depositors who lost their money.

I feel, however, that there is a great deal to be said for the position taken by the honourable member from Grenville (Hon. Mr. Reid) and by my honourable friend from Alma (Hon. Mr. Foster). I have considerable sympathy for one idea advocated, namely, that the smaller depositors should be recognized and compensated. If my honourable friend from Grenville is right, there are persons who had hundreds of thousands of dollars, or millions of dollars, on deposit, and I think they should certainly not be considered in any way whatever. Perhaps the Government would change the Bill so as to provide for payment only to depositors having on deposit not more than a certain amount, say, \$1,000 or \$1,500, or \$2,000. I would be prepared to support a measure which would give them a larger proportion than the 35 per cent, if that is the proportion intended for them, and would leave the well-to-do people to take their losses. The people with large deposits and considerable business interests were in a great deal better position to know for years back the situation of the Bank than the poor depositors who had put in their life-savings, \$1,000 or \$2,000, perhaps, or very much less, on which they were depending to carry them through the latter years of life. I trust the Government will be able to do something along these lines, and, if so, they will have my hearty support.

Hon. Mr. WATSON: That can be dealt with when the Bill goes into Committee.

Hon. Mr. TURRIFF: Yes, in Committee we can deal more fully with that.

It is on these grounds, honourable gentlemen, that I intend to support the Bill. No doubt the amount of \$5,450,000 is a large one, but when I consider amounts varying from \$5,000,000 to \$10,000,000 that are being voted by the Government for other purposes, I have no qualms of conscience whatever, whether it sets a precedent or not, in voting for this particular sum of \$5,450,000 if it is necessary. I trust, however, that some alteration can be made in the Bill.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I desire in a few moments to approach this very momentous question from a somewhat different angle. I would like to dissipate a wrong impression that is being created in this House. The closing of the Home Bank has produced in the city of Montreal, and in my own little town, and elsewhere in the province of Quebec, just as many and as regrettable disasters as have been caused in other provinces.

One of my principal reasons for discussing this matter briefly this afternoon is this. I desire to answer the many supplicating letters that have come to me from persons in distress who lost their all in the Home Bank, praying that this Bill should be supported, so that they might obtain some measure of relief. To every one of these I answered that the Senate was the best tribunal to judge the merits of such a case, and that the Bill now submitted to us would be considered with care and impartiality, and either accepted or rejected on its merits.

It seems to me that the gravamen of the argument in favor of this measure has been that this was a compassionate measure. If that argument had stopped just there, it could.

not be listened to for a single moment in this House. If the depositors of the Home Bank had no other claim than to come and say to us, "We are cripples of the war," justice and equity would stay our hands and prevent us from granting those people relief.

Let us throw our gaze throughout the land, from the Atlantic to the Pacific. Practically every Canadian, to a greater or less degree, is a casualty of the war; and is not the Canadian nation a very lamentable casualty of the war? Therefore it seems to me that there must be something beyond the claim that this is a compassionate relief measure.

My honourable friends, and especially the leader of this House, have very skillfully wrought out another reason by attaching the word "privileged in speaking of the measure now before us, and the plea comes to us that this is a privileged compassionate measure. Very well, let us consider it in that light. Where does the privilege arise? I want to answer this question from evidence of the record. Where does the privilege arise in the case of the catagory of people before us now, those who should obtain from us a large amount of money belonging to the whole of Canada, to the exclusion of those of whom my predecessors in this discussion (Right Hon. Sir George Foster) have spoken so eloquently? It comes from this.

My honourable friends on the other side have said that Sir Thomas White, the Minister of Finance in 1916 and 1918, although he did all that he should do, and was guilty of no fault of commission or omission, had a war mentality, or, if you like, was placed in such an attitude that, for the purpose of protecting the banks and through the banks protecting our national credit felt restrained from acting and therefore, that, in the higher interest of Canada, he allowed the making of the calamity which is now visiting the depositors of the Home Bank. It is this particular point that I have studied to the best of my ability, for the purpose of forming my own appreciation on the merits of the case. I be lieve that when one is carried away by sympathy or prejudice he is led into a very dangerous path. The only thing for us to do, in this House especially, is to be guided exclusively by actual facts and the merits of the case. Let us take the record; and, in order that I may run no risk of causing injustice to the claimants, I want to refer to the evidence, and the report of Mr. Justice McKeown, the report upon which this Bill has been founded. Briefly, what are the facts?

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The facts are these. First of all. in 1916. and subsequently in 1918, certain representations were made to the Minister of Finance of the time in respect to the financial situation of the Bank in question. How were those representations made, and how were they met? What was the action of the Minister? How did he use his discretion under the circumstances? In 1916 a letter came from three directors in the West, headed by the Hon. Mr. Crerar. calling the attention of the Minister of Finance to what was evidently, the very serious position of the Home Bank at the time. There is no doubt as to that. What did the Minister do? Did he tarry? Was he at all irresponsive, or was there indecision or procrastination on his part? No. He immediately called upon the officers of the Bank, and the auditor named by the shareholders of the Bank-those who guaranteed the depositors, and who were therefore most interested in seeing that the depositors were paid-to make a special report to him immediately. He went beyond that: he saw the lawyer of the Bank, Mr. Lash, in whom he and a great many people, with every reason, had confidence. What was the result of all this? Let me take it from the report of Judge McKeown, and then I will ask whether in 1916 there is anything for which you can reproach the Minister of Finance; and, secondly, whether there was in him such a war mentality as might be considered the primary cause of the damage now suffered by the depositors.

This is what Mr. Justice McKeown said, after all the correspondence had taken place —the notification—given to the Minister, and the letter sent by the Minister to Mr. Lash and to the Auditor of the Bank:

All these communications were written and information supplied within four weeks from the time of the receipt by the Minister of the complaint from the western directors, which shows that no time was lost on his part in an effort to secure the necessary information. The correspondence shows that the Minister was not convinced that, because the eastern and western directors had settled their difference, he should stay his hand from a thorough and complete investigation of the bank's affairs. But further correspondence carried on by Mr. Lash and Mr. Crerar, and personal interviews with the two latter as well as with Mr. Haney, and information furnished concerning the accountsmuch of it misleading and false-and promises of a thorough investigation of the bank's affairs under the direction of Mr. Haney and Mr. Machaffie, and in-formation supplied by both these gentlemen and the Minister's desire to prevent the collapse of any bank in view of war conditions, resulted in his acquiescing in the unanimous request of the whole board that no investigation should be made. No other report from the auditor was asked for or received. It was represented to the Minister, in a letter signed by Mr. Crerar that a change in management had taken place by which he expressed himself certain that the knowledge and information concerning the position of affairs desired by the western directors, and the changes Hon. Mr. BEAUBIEN.

they wished when they sent their request to him, could now be made without calling in outside asistance; that the situation had materially improved within the past month, and that it was better to have the inquiry proceed from within rather than from without.

Now, honourable gentlemen, the report shows that the Minister tried to get immediate information, and that the got the information; that trustworthy people who had lodged a complaint in his hands came back to him and withdrew that complaint; that amongst them was the Hon. Mr. Crerar, a colleague of the Minister of Finance in the Cabinet of that time; a gentleman in whom the Minister had every right to have confidence, on account of his situation, his reputation—and, let me go further, on account of his very interest.

All that was backed by the information given to him by Mr. Lash, the lawyer of the Bank, a man whose reputation was above suspicion. It was also backed by the report made by the Auditor of the Bank, an auditor not named by the directors but by the shareholders—by those who, in naming him, were seeking protection for themselves.

With all this information in hand, with the new management installed, with every director perfectly satisfied, with his colleagues in the Cabinet sitting alongside of him and assuring him that whatever may have been his complaint before it was withdrawn. Then under such conditions only did the Minister stay his hand, but not before having used the discretion given to him by section 56A of the Bank Act, to which I shall refer.

I have read the evidence, and I nowhere found that the Minister declared that in this particular instance he had stayed his hand on account of fear of failure of this Bank during the war. True, the question was put to him in a general way: "Mr. Minister, would you in any case have put a bank in liquidation during the war?' And the Minister said, "No."

The question that comes home to me is, how reasonable is it to tie that general answer to a specific case? Yet the honourable gentlemen opposite come to us and say: "There is your Minister; he had a clear-cut duty to perform; the evidence shows that he has not performed it; if he had performed his duty, the depositors would have been protected; and this is why they come with their claim; the Minister represented the people, and therefore the people of Canada, by law, by equity, are bound to indemnify them." I think my honourable friends will search in vain the record for any reason to connect the Minister's specific action, or lack of action, with his pretended war attitude which the honourable leader has so skillfully used in his argument. In 1918 another demand came to the Minister to investigate the Bank. This time it came from Mr. Machaffie, and it was a very serious notification to the Minister as to the state of the Bank. Now, we might say that with this double advice from outside, surely the Minister must act. But just wait and see how much weight the Minister was entitled to give to the complaint received from Mr. Machaffie, who had lodged these accusations against the Bank:

Mr. Machaffie subsequently retracted all these statenents in a letter to the bank, admitting that his intormation was inaccurate and incomplete, and that his tirst letter would have conveyed a wrong impression as to the condition of the bank and the conduct of its affairs. Now the Minister was acquainted with the fact of this withdrawal, and that the reason Mr. Machaffie had retracted these statements was, that he might procure a settlement of his claim against the bank. the accuracy of the information concerning the bank's affairs had depended upon Mr. Machaffie's representa tions, while perhaps it would be too strong to say that no attention whatever should have been paid to him, yet the fact remains that he had retracted them under circumstances that would very materially weaken them, and would also present their author in a very unfavourable light. If it were a question between Mr. Machaffie and the officials of the bank, backed in their statement by Mr. Lash, no one would expect otherwise than that Mr. Machaffie's statements would be ignored. In response to the Minister's call for a report upon the matters, there was submitted to him under date of 29th October, 1918, a lengthy statement signed by the president of the bank, in the form of a report unanimously adopted by the board, instructing the president to for-ward a copy to Mr. Lash, and with a direction to have the same forwarded to the Minister. The report made reference to what was done in 1916, and the changes made since that time in the management of the bank, discussed the accounts which had given much trouble, and reported favourably on the British Columbia account, and the New Orleans account; it denied that any dividends had been paid out of capital, and asserted that the profits of the bank actually earned had been sufficient to warrant the payincent of the dividends; it set out the net profits for the years 1917 and 1918, and controverted Mr. Machaffie's statements about the shipbuilding enterprise, on which he had commented unfavourably; it assured the Minister that the position of the bank had been steadily growing stronger, giving figures of its growth comprising the years 1917 and 1918, and at great length purported to set out the improved position of the institution. It was a report of such a character as to set at rest the mind of anyone who believed it, and apparently was written with that end in view. Upon its receipt the Minister apparently was convinced that there was no necessity for ordering any further investigation.

Then, what was the situation after 1918? In 1916 the people who brought the complaint to him withdrew it; everybody is satisfied, especially those who had a real reason to look for protection because they had guaranteed the depositors. In 1918 there is a complaint made by a man who evidently wanted to blackmail the Bank; that is quite evident, and the Minister knows it, and he attaches very little importance to it, as any honourable gentleman in his place would have done. The reports are given to him; he is satisfied with them.

What was the position of the Minister in the face of Section 56A of the Bank Act? Section 56A of the Bank Act gives the Minister a discretion under such circumstances to make such investigation as he deems fit. Now, the only thing that remains is this: was that discretion used rightly, prudently, and wisely? The Minister had to choose between two inspections, or reports, or investigations-one from within and the other from without. The only thing that is suggested in this whole record-I will not say it has been said-is that the Minister should have chosen an outside investigation rather than an inside investigation. Now that we can look back, we must conclude that such would have been the better course, and why? Because the Minister was shamefully deceived, because the reports were false, because the people who made them were criminals. But, honourable gentlemen, are you going to judge the Minister in the light of what we know to-day? I say it is most unfair. It is unfair not only to the Minister but to the people of Canada, because if he is on trial the people of Canada are on trial, as what we are called upon to do now is to pass judgment against the people of Canada for over \$5,000,000. But are you going to judge the Minister from your knowledge of past history? Are you going to mulct the people of Canada in a judgment of over \$5,000,000 because you have your hindsight to guide you instead of having purely and simply the Minister's foresight at the time? I say that is unfair.

The question for us to determine now is simply this-and in this I join with the honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) with all my might whether, in exercising his discretion, the Minister bound the country to this measure of relief. Be careful when you determine that. There is a man against whose honesty and uprightness not a whisper is heard; there is a man whose intelligence and knowledge of business nobody can deny. He is brought face to face with a situation in which he has to use the discretion that is given him by the law. He uses that discretion to the best of his ability, and to such good purpose that my honourable friends on the other side have to stand as witnesses and say, "Why, none of us would have acted otherwise." There is the use the Minister made of his discretion; and, in the light of the circumstances at the time, he used it wisely. Nobody that I know of has the superhuman vision capable of seeing through to a man's soul. The Minister used

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the discretion that the law gave him and the light that Providence gave him.

Are you going to pass a law saying that a Minister using his discretion wisely, as far as God has given him to see right from wrong, and as diligently as a clean conscience could dictate, is going to bind the people down to the payment of \$5,000,000 or more? Discretion is granted in different forms practically at every stage in every organization and in every nation in the world. Make no mistake about it, honourable gentlemen, the discretion given by Section 56A is not limited, and, unless the Minister should be grossly negligent of his duty the country cannot be bound by his act.

But let me go one step further. What is the spirit of the law? When the law gave the Minister discretion to make or not to make an investigation it implied no liability. There was no duty imposed. To-day, honourable gentlemen, there is a duty imposed by the amendment incorporated in the Bank Act last year. What does it say? It says that an Inspector General will be named and must make an investigation of every bank every year at least, or oftener. And what does the legislator say immediately after he has so created the duties of that Inspector General? He says in a long section that the country will not be responsible in any shape or form, whether that duty is or is not performed. And the law goes on to say that even if he does not comply with all those imperative sections we shall not be bound. How logical it is to go back to the law when it created no obligation at all, when it gave the Minister the absolute discretion of deciding as between an inside or an outside investigation, as in this case, and to say: "Well, the law creates no obligation, legal or moral, but we are going to create that obligation, and you people of Canada are going to sign your cheque for \$5,000,000."

Much as I regret the misery that has been caused all over the land, in my Province, in my city of Montreal, and in my own little town of Outremont, much as I regret the bitter sufferings of a number of respectable people, of friends of mine, it seems to me there is nothing in the record—and it is by the record that we must abide—that justifies us in taking from the people of Canada \$5,-000,000 unless, as trustees of those funds, we are clearly obliged to do so.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. F. L. BEIQUE: Honourable gentlemen, I am sure most members of this honourable House will realize how disagreeable it

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is for one to be placed in a position in which he deems it his duty to oppose a measure coming from a Government which has his entire confidence; and when to this is added the necessity of denying the appeal of thousands of persons, among whom there are friends and even relations, who have lost their fortunes, all they had, in the Home Bank, the feeling becomes not only disagreeable, but one of distress. I must confess that it is such a position that I occupy to-night.

This Bill, I understand, stands on two different grounds. We are told that it is a measure which provides a compassionate allowance; but it is also, and mainly, a measure which, as presented in this House, is based on the Committee's report which was read by the honourable leader of the Government. I refer to page 519 of the Debates of June 15th. I will cite merely the last paragraph of the report:

Your Committee consider that the facts brought out in the Interim Report submitted by Mr. Chief Justice McKeown, and the evidence therein referred to, establish that the depositors of the Home Bank have a moral claim in equity for compensation by the country on account of any loss they may suffer by reason of the failure of the Home Bank.

I understand that this is the principal basis of the measure which is now engaging our attention. Therefore we have to examine at the outset the moral claim. It is not urged that there is any legal claim. It is admitted by everybody that there is no legal claim. But it is urged that there is a moral claim, and the Bill is based on that. The moral claim is founded upon the evidence which has been referred to and cited by the honourable member from Montarville (Hon. Mr. Beaubien).

For my part, I am of opinion that there is no moral claim. I think that the Minister of Finance of the time did what any other Minister in his place would have done, and that under the circumstances disclosed he could not have been expected to take the responsibility of closing the Home Bank. The closing of a bank is a very serious act on the part of a Finance Minister. He had, it is true, a petition calling his attention to the condition of the Bank. As has been correctly stated, on that petition he took action, and the action taken resulted in an examination of the affairs of the Bank by competent persons, and in the withdrawal of the petition by the very people who had made it. I do not think that the Minister was called upon to proceed further, or that there is in this respect any ground for a moral claim, as was alleged.

Now, I think we have to consider this question very seriously from the standpoint of precedent, not only with regard to banks, but also trust companies. Honourable gentlemen will remember that for years past pressure has been brought to bear upon the Government to introduce Government inspection into the affairs of the banks. Until last year the Government refused, for fear that it might involve the responsibility of the Government in case of the failure of a bank; and when at last, in 1924, the Government gave in and consented to adopt a system of Government inspection, it was with the understanding, in the House of Commons as well as in this House, that it should not involve the responsibility of the Government, but was given as an additional guarantee to the public. Now, if we acknowledge by the passing of this Bill that because of the circumstances stated in the report to which I have referred the moral responsibility of the Government is involved, surely the understanding to which I have alluded, as to the effect of Government inspection, no longer stands, and in all cases in which a bank becomes involved this Bill will be used as a precedent in demanding that the depositors be indemnified.

Honourable members must not lose sight of the fact that in 1914 this Parliament adopted what is known as the Trust Companies Act. This Act was amended in 1920, 1921 and 1924. Under the original Act, and under the amendments which were made from year to year, what is the position? The position is this, that every trust company taking deposits from the public, which may be as large as the deposits taken by banks, is not only under the control of the Finance Minister, but also that of the Superintendent of Insurance, who is required under the statute to examine the books of each company every year, and make a report to the Finance Minister as to its standing. If the principle of moral responsibility may apply in the case now before us, surely it will apply more in all cases of trust companies which may become involved, and the depositors in those trust companies would be entitled to a moral claim on the Government, and they will be using this case as a precedent.

I did not have the pleasure of hearing both the leaders of this honourable House, but I have read both their addresses from beginning to end, and I have noticed that, as usual, one presented the Bill and the other supported it, with their usual respective talent and ability. I could not, however, escape noticing that the honourable leader of the Government must have found that his case was rather weak, S-34¹/₂

when he based his argument on the fact that the depositors may have been under the impression that the Government was responsible. I am sure that no depositors are under such impression, and that it was never necessary, to get the public to realize that they could look only to the bank to put up a special notice for that purpose. The Bank Act may be somewhat involved when one desires to master all its details, but it is universally known that the Government is not responsible -that the depositors have the responsibility of the Bank only with such privileges as may be covered by the Bank Act. Therefore I do not think that that argument can weigh at all in support of the measure.

But the honourable leader of the opposition (Hon. Sir James Lougheed) made a very important statement. In the Senate Debates of the 16th inst., at page 541, I find that he said:

I say, furthermore, that from 1903, when this bank was established, until 1923, it was a festering sore. What really surprised me was that the different banks of the country, as well as persons who were more or lees familiar with the unfortunate state of affairs which prevailed in that bank, did not insist upon the Government of the day, no matter what Government it was, intervening and thus saving the situation.

This argument would tend to show that the public knew what was the condition of the Bank, and therefore with their eyes wide open, they took the responsibility of dealing with that Bank. Surely this would go a long way to dispel any moral responsibility on the part of the Government under the circumstances.

On the same point I might refer to the fact that this Bank was incorporated as a bank in 1908. Its stock was traded in at that time at 133-1/2. In 1913 the Home Bank took over the assets of the International Bank, and the stock was then traded in at 128. But when I look to see what became of that stock on the market I find that in 1915 the lowest price during that year was 65 and the highest was 87; so that the stock had gone down 50 per cent; and in 1917 it had gone further down, to 59 at the lowest, and 65 at highest price. Well, surely the public who were dealing with the Bank are supposed to have known the general condition of the Bank from the quotation of its stock, the price at which it was selling; and if they deposited large sums of money, as we are told they did, in response to the canvassing, which was very cleverly done, they took the responsibility, and I do not see how it can involve the moral responsibility of the Government.

If this Bill were not based on the report of the Special Committee, but were presented merely as a compassionate measure, I for my part would hesitate to refuse to inquire fully into the situation, and I would be anxious to come to the rescue of as large a number of sufferers as possible. But to my mind the measure is not presented in that condition, and I think that the point to which the honourable member from Grenville (Hon. Mr. Reid) has called attention is very important. Of course, as was stated by the honourable leader of the Government, that point might be dealt with more properly in Committee, but I doubt very much if we would have in Committee the proper information to enable us to distinguish between those who should be protected and those who have no right at all to any commiseration on the part of the public. We would require to nave reports as to details, which we cannot obtain at this stage of the Session.

I do not think that I should detain the House any longer. I am sorry to be called upon, in the exercise of my duty as a member of this honourable House, to vote against the Bill.

Hon. J. J. DONNELLY: Honourable gentleman, I rise not so much to discuss the merits of the Bill, on which we have had a very full discussion, but rather to point out what, in my opinion, will be the effect of the amendment that has been moved by the honourable member for Grenville (Hon. Mr. Reid). We all know what would have been the effect of the six months' hoist that was moved by the honourable member for Alma (Hon, G. G. Foster).

The mover of the amendment has argued with considerable force that we should not deal with this matter before we give it further consideration; that we should take time, and lay it over for the present. If this were early in the Session I might be disposed to agree with him; but we are in the last days of the Session, and I am rather convinced we are in the last Session of the present Parliament; so the effect of adopting the amendment would, in my opfnion, practically be the same as if we had carried the amendment of the honourable member for Alma.

The honourable member for Grenville argued that we should wait until we got the liquidator's report as finally closed up. But we have the statement of Mr. Clarkson, the liquidator, that the further assets may realize between 5 and 10 cents on the dollar, and it may take him four of five years to find out exactly what he will realize on them, so that we cannot very well wait until we get his report.

As to the suggestion made by the mover of the amendment that if we pass the Bill we will have an opportunity of discussing in Hon. Mr. BEIQUE,

the Committee stage certain amendments that might be made in the Bill, I am not quite sure that he is on safer ground; or perhaps I misunderstood him to say that only those who have small deposits should be considered. In many cases people who were carrying an account in the Bank, who were quite wealthy, might have a small deposit, while in other cases people, some of them old, might have \$4,000 or \$5,000, which was all they would have to depend upon. Their case would be quite as worthy of our consideration as that of those who had only small deposits.

I listened with great attention to the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster). Knowing his ability to argue his side of the case, I may say that while I was greatly pleased to observe that he is quite as much of an orator as he has ever been in the past, the thought came to my mind that had he decided to take the other side of the case he would have made an equally strong appeal. I wish to deal with one or two arguments that he put forward, as well as those of the honourable member from New Brunswick (Hon. Mr. Black). They said that there were many people who lost heavily, and he mentioned the farmers. I think the honourable member for Lambton (Hon. Mr. Pardee) has answered that pretty fully. I am connected closely enough with farming interests in Ontario to be able to say that, taking the ten-year period from 1914 to 1924, the farmers of Canada have not suffered as a result of the war, except in this way, that owing to the very high prices they received from 1917 to 1920 they acquired some extravagant habits, and in some cases took on burdens which they were not justified in carrying.

Several honourable gentlemen have argued, with some force, that depositors were aware that the Government was not responsible for deposits. Of course, we all know that that is right, that the Government is not legally responsible; but I have inquired from people who are depositors, not in a large way, not business-men of the city, and I am convinced that fully 50 per cent of the people who placed their deposits in chartered banks did so in the belief that their deposits were guaranteed by the Government. There was some justification for that, at least in Ontario, because some years ago we had a great many so-called private banks carrying on business in that province, and the result in many cases was very unfortunate; so that the Government, very wisely, as I think, amended the law so as to prohibit such corporations or financial institutions placing over their doors the name of bank or bankers. The result was that the public were led to place their deposits in the chartered banks of the country, and this gave them some reason for believing, when they were debarred from placing their deposits with the private banks, that their deposits in the chartered banks must, to a certain extent, be guaranteed by the Government.

I was a member of the Senate in 1914, when the question of the Farmers' Bank was under consideration. I voted for that Bill giving relief to depositors in the Farmers' Bank, and I am going to be consistent to-day and vote for this Bill.

Hon. N. A. BELCOURT: Honourable gentlemen, I feel compelled to give, very briefly, my reasons for the attitude which I am going to take on this Bill, and I shall do so by considering purely and only the principle involved. I think a great deal of the discussion has unnecessarily been directed to amendments or suggestions. This being the second reading of the Bill, I think we ought to confine our discussion to the principles of the Bill itself.

I must candidly confess that I have had considerable hesitation at different times with regard to the vote which I shall give. I have been greatly impressed by some of the observations which have come from those opposed to the Bill. Perhaps, because I am a lawyer, it may be said of my speech, as it has been said before, that it is a lawyer's speech, and more or less discredit may be put upon it by some people calling it such. But a lawyer, if he has strong legal convictions, is bound to express them, whether in this House or before the courts, and even if it is a lawyer's speech I do think that the point of view I am about to lay before the House is worthy of very serious consideration by every member.

First of all, I want to state briefly the situation of the Home Bank on the one hand, and of the Government on the other, when the disclosures were made by Mr. Lash, Mr. Crerar and others to the then Minister of Finance. Sir Thomas White had before him information which I think would have compelled him to take immediate action if it had not been for the condition in which the country was placed at the time. By that I mean that in ordinary times, if information of this kind had been laid before Sir Thomas White as Finance Minister, it would have been his manifest duty to interfere and do something on behalf of the depositors of the bank.

Hon. Mr. BEAUBIEN: I think that is an extremely important point, and I would like my honourable friend to show us in the

evidence if there is any support to that, because I did not see anything there.

Hon. Mr. BELCOURT: I saw a great deal, but I am not going to read all I saw, in support of that point I am going to content myself by referring to page 521 of the Senate Debates, where a quotation is taken from evidence submitted to a Committee in another place. It reads as follows:

On the 29th of February, a month after, Mr. Lash writes to Mr. James Fisher as follows: "The more I consider the bank's position, even

"The more I consider the bank's position, even assuming that every account will ultimately be collected in full, the more doubtful I feel as to the possibility of its continuing in business. The amount locked up indefinitely in four large accounts, is probably three times the paid-up capital, and more than half the total deposits; and if anything should take place which would cause a comparatively small percentage of the depositors to ask for their money, I do not see how the bank would, without assistance from outside continue with open doors.

continue with open doors. "I told Sir Thomas that my main object, since I learned in outline what the bank's position was, has been to bring about a position, which, if the worst bappened, would result in liquidation with open doors. This can only be brought about by the assistance of other banks, and I want definite instructions from the board as to how far I may go in this direction in consultation with Sir Thomas White, for he is now an essential element in the situation, which cannot be disregarded. He told me, and I could not dispute the correctness of his position, that, after you, on behalf of the Winnipeg directors, had submitted to him nformation which, to say the least, was very disturbing, the responsibility was thrown upon him, which he could not avoid, and which would not be discharged because those who had invited his intervention might desire

-Which he did.

Hon. Mr. BEAUBIEN: Is that all? Is that the quotation my honourable friend wants to make to support his view?

Hon. Mr. BELCOURT: Yes.

Hon. Mr. BEAUBIEN: Well-

Hon. Mr. BELCOURT: My honourable friend has made his speech. Perhaps he will be good enough to allow me to make mine. That is a quotation in support of my contention; whether it pleases my honourable friend or not I must be allowed to put forward my point of view.

Hon. Mr. BEAUBIEN: My honourable friend does not need to get hot under the collar. I only want him to say how he applies this in proof of what he says.

Hon. Sir JAMES LOUGHEED: That is what he is doing.

Hon. Mr. BELCOURT: Exactly. My statement was simply that the Minister of Finance of the day was perfectly well aware of the situation of the Bank at that time, and that is was placed before him by Mr. Lash is shown by this quotation. And I add, that any Minister of Finance under similar circumstances would at once have interfered for the purpose of preventing the depositors losing more money.

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

Hon. Mr. BEAUBIEN: I beg my honourable friend's pardon. 'Mr. Lash writes the letter, not to Sir Thomas White at all, but to the Board; and in it he states that he believes it to be a crippled bank.

Hon. Mr. BELCOURT: I will have to read that over again.

Hon. Mr. BEAUBIEN: And after that he said he discussed the matter with Sir Thomas White, but he does not say at all in that letter that Sir Thomas White agreed with him that the Bank was crippled.

Hon. Mr. BELCOURT: I do not know if there is any use in reading it over again. I do not think my honourable friend's mind is open to put a proper construction on the citation.

The Leader of the Government puts in my hands an extract which is to be found in the report of the Commissioner.

Hon. Mr. BEAUBIEN: Oh, I have read it.

Hon. Mr. BELCOURT: I may be a hopeless case, but my honourable friend is not far behind.

In the interim report of the Royal Commission we find the following from Mr. Z. A. Lash to Mr. James Fisher:

The more I consider the bank's position, even assuming that every account will ultimately be collected in full, the more doubtful I feel as to the possibility of its continuing in business. The amount locked up indefinitely in four large accounts, is probably three times the paid-up capital, and more than half the total deposits; and if anything should take place which would cause a comparatively small percentage of the depositors to ask for their money, I do not see how the bank would, without assistance from outside, continue with open doors.

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

Hon. Mr. BELCOURT: The date of the letter is the 29th of February, 1916.

Hon. W. B. ROSS: Was that before or after the time when Mr. Crerar wrote to Sir Thomas that he had examined the accounts?

Hon. (Mr. DANDURAND: The denunciation is of the 22nd of January, 1916. A month and a few days after, on the 29th of February, Mr. Lash, who has been called in by the new management, and with the consent of the Minister of Finance-because he had the

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confidence of the Minister of Finance—upon examining into the conditions makes the finding that there are four large accounts that are three times the amount of the capital, and half of the depositors' accounts; and he says that he cannot see how the Bank can be steered through if there is the least shrinkage in the amount of the deposits. He adds that he has talked this matter over with Sir Thomas White, and that Sir Thomas White is fully aware of the situation, and that, although the parties denouncing would stay his hand, he has the full responsibility, and he would not—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. DANDURAND: That is an answer:

He told me, and I could not dispute the correctness of his position, that, after you, on behalf of the Winnipeg directors, had submitted to him information which, to say the least, was very disturbing, the responsibility was thrown upon him, which he could not avoid, and which would not be discharged because those who had invited his intervention might desire him to withhold further action.

They did that a month after.

Hon. Sir JAMES LOUGHEED: Is my honourable friend putting the onus on Sir Thomas White?

Hon. Mr. DANDURAND: I put the onus on Sir Thomas White in this respect-

Hon. Sir JAMES LOUGHEED: Is that the whole ground?

Hon. Mr. DANDURAND: No. I put the onus on Sir Thomas White in this respect, that he would not during the war close down the Bank.

Hon. W. B. ROSS: Excuse me one minute. I asked a question, and the Leader of the Government intervened and I have not got an answer.

Hon Mr. BELCOURT: I insist upon going on with my speech. The honourable gentleman can ask questions of the other gentlemen.

Hon. W. B. ROSS: I asked the Leader of the Government whether the statement he read was before or after Mr. Crerar wrote to Sir Thomas that he had examined the British Columbia accounts and those other big accounts, and thought they could pull through.

Hon. Mr. DANDURAND: That is a month before.

Hon. W. B. ROSS: Thank you very much. That is what I want.

Hon. Mr. BELCOURT: The statement I make, and I make it on the authority of the

evidence, is that at the time the Minister of Finance decided that he was not going to interfere with this Bank, he was absolutely well aware of the conditions of the Bank, because we have the evidence of Mr. Lash, whom he called in to advise, who tells us that on that occasion he told him exactly the position of the Home Bank.

Now I ask my honourable friend from Montarville (Hon. Mr. Beaubien) if he or any other member of this House could possibly for one moment entertain the opinion that it was not the manifest duty of the Minister of Finance to intervene. Would he not have intervened, had it not been for the war, the other reason he gave? To me that is patent. It is in evidence, and no amount of shaking of heads or contradiction is going to alter the facts.

Hon. Mr. GORDON: Would the honourable gentleman permit me to ask a question? This letter which the honourable gentleman read is not to Sir Thomas White, but to Mr. Fisher.

Hon. Mr. BELCOURT: The letter says that he told this to Sir Thomas White. That is what the evidence shows. If honourable gentlemen would only pay some attention, and read it with ordinary willingness to follow, they would understand it.

I am afraid I shall have to repeat myself. I had intended to take about ten minutes, but the time has been taken away from me. I submit that under conditions of that time it was the manifest duty, under ordinary circumstances, of the Minister of Finance to have closed that Bank right then and there, and not to have allowed it to go on for another hour; and I have no hesitation in believing that that is exactly what Sir Thomas White would have done had it not been for the circumstance of the war.

He made a further statement, and there is no dispute about that, that during the war he would not close any bank under any condition or circumstance—

Hon. W. B. ROSS: Hear, hear.

Hon. Mr. BELCOURT: —that he held that the national credit was a matter as to which no chances should be taken; and that the closing of the Home Bank or any other bank was of such a nature as to hurt the credit of the country, and he would not do anything which might in any way imperil the national credit. That was the attitude of Sir Thomas White, and, I have no doubt, of the Government which stood behind him. Call it what you like—I do not care about the label you put on the package—whether you call it a legal claim, a moral claim, an equitable claim, or a compassionate claim—I here stake my reputation as a lawyer that if this case were a case, not between the subject and the Crown, but between subject and subject, there would be an absolute right to place before the courts a claim enforcible in the courts by all the machinery at their disposal.

Hon. Mr. GORDON: I dislike to interrupt my honourable friend, but I think I should point out what is directly under the letter he quotes from. He will find his premises are not correct. This is what Mr. Justice Mc-Keown says:

Attention may be drawn here to the fact-

Hon. Mr. BELCOURT: I dislike very much not to answer my honourable friend. I am prepared to answer a question, but I am not prepared to have interspersed in my speech half-a-dozen other speeches.

Hon. Mr. GORDON: I am just giving a quotation from Mr. Justice McKeown to show that the honourable gentleman was going on wrong premises altogether. If the honourable gentleman will be kind enough to read it—

Hon. Mr. BELCOURT: Oh, no, I do not want to read it.

Hon. Mr. GORDON: You do not want to, because you do not want to be fair.

Hon. Mr. BELCOURT: I think that is a very unparliamentary remark, and one which my honourable friend has no right to make and should withdraw.

Hon. Mr. GORDON: It may be unparliamentary, but it is correct.

The Hon. the SPEAKER: I think the honourable gentleman should withdraw.

Hon. Mr. GORDON: Well, if I have to withdraw it, I withdraw it. I think the honourable gentleman ought to read that just the same.

Hon. Mr. BELCOURT: Tell me where it is, and I will read it.

Hon. Mr. GORDON: It is on page 30 of the report. Here it is.

Hon. Mr. BELCOURT: I do not know where my honourable friend means.

Hon. Mr. GORDON: It is right after the letter that my honourable friend read.

Hon. Mr. BELCOURT: No, I did not see that letter there.

Hon. Mr. GORDON: Oh, yes.

Hon. Mr. BELCOURT: You mean, "Attention may be drawn here to the fact-"

Hon. Mr. GORDON: Yes. That is Mr. Justice McKeown's interpretation.

Hon. Mr. BELCOURT (reading):

Attention may be drawn here to the fact that this communication was not addressed to Sir Thomas, nor is there any evidence that he was in possession of Mr. Lash's views as above expressed.

But Mr. Lash in his letter states the contrary. He says he told Sir Thomas White of that situation.

Hon. Mr. GORDON: Then you do not believe Mr. Justice McKeown?

Hon. Mr. BELCOURT (reading):

I told Sir Thomas that my main object, since T learned in outline what the bank's position was. has been to bring about a position, which, if the worst happened, would result in liquidation with open doors.

Hon. W. B. ROSS: He does not say he told Sir Thomas White.

Hon. Mr. BELCOURT: He added, further-

Hon. W. B. ROSS: He told him another thing altogether.

Hon. Mr. BELCOURT (reading):

He told me, and I could not dispute the correctness of his position, that, after you, on behalf of the Winnipeg directors, had submitted to him information which, to say the least, was very disturbing, the responsibility was thrown upon him.

I say there is no question, notwithstanding all these interruptions that Sir Thomas White knew perfectly well what the situation of the Bank was at that moment; and I will add this: if he did not know, it was his duty to find out

Hon. W. B. ROSS: He did not know it from Mr. Lash, and you are trying to get us to believe he did. What you read shows nothing of the kind.

Hon. Mr. BELCOURT: I am quoting from Mr. Lash's own words. Now, what was the consequence of the position created? We have on the one hand the Minister of Finance, who, I repeat, knew exactly the situation of this Bank at that moment. He was faced with the evil of this Bank getting into more trouble; he was faced with the possibility of the Bank incurring more liabilities and becoming more largely indebted to its depositors. I have no doubt that he realized that fully. He said he thought the closing of the bank would seriously hurt the national credit, but he decided that he would not close the Bank, he would allow it to go on, although it would have the consequences that

Hon. Mr. BELCOURT.

I have described, in order that the national credit might not be injured.

I am not here to blame Sir Thomas White for the position he took. I am quite sure that in whatever way he proceeded in order to arrive at his conclusion, he acted with the greatest probity and consideration for all parties concerned, especially for the State. He may have made an error of judgment. I am not going to say even that much. But I say that, for the purpose of preventing the national credit from being hurt, Sir Thomas White decided that he would let this Bank go further into the hole, and that he would allow its depositors to add further losses to those they had already suffered.

Now, I say as a matter of law-and I say it with great confidence-that if a condition of that kind had arisen between subject and subject, the doctrine of estoppel would amply have supported the claim. He said, "All right, you are going to suffer, but the State is going to suffer more than you; meantime you have to put up with your loss." I say that there was in that an implied undertaking on the part of the Government which bound the Government of that day and which bound the Governments which have existed since; and I say that this Government is merely and only implementing and carrying out that implied undertaking of the then Minister of Finance in proposing this compensation. I repeat: I believe there is no claim against the Crown enforcible at law, because I do not think that under the provisions of the Exchequer Court Act a claim of this kind can be supported, and I can find nowhere under the War Measures Act a remedy for a case of that kind. It may be so-I believe it is-that there is no claim that could be legally made and enforced as against the Government by the depositors of this Bank; but I repeat that if it were a matter between subject and subject there is absolutely no doubt that there would be a good, substantial and legal claim in the courts on the part of the losers.

I do not think I need labour the argument. I hope I have made myself clear and thoroughly understood. I hope it is understood, for instance, that I am not blaming Sir Thomas White for the action which he took. He exercised his judgment under very difficult, very trying conditions, at a time when he had resting upon his shoulders a greater responsibility than that of almost any other man in Canada. He was, under the law and the constitutional practice, the man who was to decide this question. The whole responsibility of it rested upon him, and I would not think it proper at this time to blame Sir

Thomas White for coming to the conclusion that he reached. But I say that he came to that conclusion with the determination that the Home Bank depositors should not seek for any public proceeding for the closing of the Bank, but should be content to put up with the losses which he at that time knew were absolutely inevitable if the Bank went on.

Hon. W. B. ROSS: Well, would the honourable gentleman indicate now the words on which he rests that statement?

Hon. Mr. BELCOURT: What statement?

Hon. Mr. ROSS: The statement the honourable gentleman has just made.

Hon. Mr. BELCOURT: I have made several. I do not know which one the honourable gentleman means.

Hon. Mr. ROSS: The honourable gentleman has just finished one statement now. There were not two at one time. It is the very last statement he made, that Sir Thomas White—

Hon. Mr. BELCOURT: That Sir Thomas White did what?

Hon. Mr. ROSS: That Sir Thomas White was asking the depositors of the Home Bank to take a loss, for the public benefit.

Hon. Mr. BELCOURT: I did not say he asked them.

Hon. Mr. ROSS: You say it is implied.

Hon. Mr. BELCOURT: Yes.

Hon. Mr. ROSS: Now, I ask, on what words do you rest that implication?

Hon. Mr. BELCOURT: I do not rest it on any words or any evidence at all.

Hon. Mr. ROSS: On your own imagination, I think.

Hon. Mr. BELCOURT: I rest it on the conditions, as a natural, logical deduction of what took place. I do not rest it on evidence.

Hon. Mr. ROSS: No. All right. That is what I thought.

Hon. Mr. BELCOURT: But I cannot understand the object of these rather savage interruptions.

Hon. Mr. ROSS: They are not savage at all. The honourable gentleman is making charges, in effect, against Sir Thomas White.

Hon. Mr. BELCOURT: I am not making any charges at all.

Hon. Mr. ROSS: I beg the honourable gentleman's pardon. They are charges, and

serious charges, and I want to know whether he rests them on evidence or only on his own imagination.

Hon. Mr. BELCOURT: I repeat, I have not made the slightest charge against Sir Thomas White. I have distinctly stated that I did not propose to make any.

Hon. Mr. ROSS: You make charges when you make implications against him.

Hon. Mr. BELCOURT: Oh, nonsense!

Hon. Mr. ROSS: In one breath the honourable gentleman states that Sir Thomas White did not do anything; in another breath he says that Sir Thomas White is to blame for the whole thing.

Hon. Mr. BELCOURT: Perhaps for my honourable friend's satisfaction I should repeat exactly what I said a few minutes ago. I do not intend at this time, and I do not think anybody should intend, to pass judgment on Sir Thomas White for exercising his discretion as he did at the time this thing took place. I stated very distinctly that I was perfectly sure that, whatever was the final argument or motive which induced Sir Thomas White, his decision was inspired by the strictest honesty and strictest probity, as well as by the great interest which he as a Canadian and as a Minister of the Crown felt in the public welfare. What more could I say? A charge in that? Any charge against anybody in that? I think my honourable friend ought to apologize for using that language to me.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. BELCOURT: He has absolutely no justification of any kind for using it none whatever,

Hon. Mr. ROSS: What is that? Well, wait until your speech is reported and you will see that you did make an implication.

Hon. Mr. BELCOURT: I shall not see it, because it will not be there.

Hon. Mr. ROSS: Then do not see the report. If the reporter gets it all down we shall have it.

Hon. Mr. BELCOURT: The position is to me quite clear—unquestionable. By reason of that exercise of discretion on the part of the Minister of Finance the Home Bank depositors have suffered a very great loss, which they would not have suffered had he taken action at the time. For not choosing to take action, I am not blaming him in the slightest; but that does not affect the question. The fact is that by reason of his attitude, good or badand I say nothing as to that—these people have suffered a loss which they would not have suffered otherwise; and I say that there was in his conduct an implication, or a promise, or undertaking, that the loss which they might suffer would be looked after in the future.

Hon. Mr. ROSS: There it is. Excuse me one minute. An implication, then, is drawn from his conduct. It is not drawn from any facts at all.

Hon. Mr. BELCOURT: I have done my best to explain to my honourable friend, but it is quite evident that he is not willing to be fair.

Hon. Mr. ROSS: I would like to know what you are talking about, that is all.

Mr. DANDURAND: Honourable Hon. gentlemen, I have listened with considerable interest to the debate as it has been carried on, and I wonder if I cannot at this moment state what I believe to be the mean opinion of the Senate. When I say "the mean opinion." this implies that there may be extremes, but the mean opinion, I should think, would be held by two-thirds of the members of the Senate. If I am wrong, I shall be told so. I have a suggestion to make, but before making it I want to state what I believe to be the mean opinion of the Senate. It is that the measure presented to the Senate should cover what may be called, or what we understand by the expression, the savings accounts. I do not qualify the savings accounts by mentioning any figure, inasmuch as a savings account, whether of \$500 or \$5,000, may represent the whole savings of a family, and it is therefore rather difficult for me to draw a line to distinguish between the person who has a small amount to his credit and another person who may have deposited what appears to be a large amount, but may be all he has. Take, for instance, the case of a widow who received from an insurance company \$3,000, or \$4,000, or \$5,000. She has her little ones about her. Surely no one will say that she is not entitled to the full advantage of the measure which is now before us. Well, I think that the mean opinion of the Senate is that if such accounts were covered by the Bill it would carry without great difficulty.

Here is the suggestion I have to make. According to the practice of the Senate, and parliamentary practice, I have the right to bind myself and the Senate by my declaration. I would ask that we take the second reading of this Bill with the clear understanding that we do not commit ourselves to the principle; Hon. Mr. BELCOURT.

that we go into Committee, and that in Committee we examine proposals, such as the suggestion that under this Act no person who was a trader or had an account or had a credit from the Bank shall participate in this division. I am stating crudely. Care would be necessary in limiting the distribution to persons having savings accounts, for I am not sure but that in some branches all the accounts were not savings accounts, even those not so named. People may have come to such branches and deposited their money without it being understood that there was a savings department. Therefore we would have to take precautions in that respect. But the idea would be to eliminate from the benefits of this Bill directors, for instance; though, if we postponed the Committee stage for a day or two, I believe I would have a clear statement indicating that the directors, who are sued for hundreds of thousands of dollars, cannot participate in this division.

Certain objections have been raised, and hypothetical cases given, which are to my mind futile. But that makes no difference, because when we have the cloth before us we can cut it as we please, and we can, if we desire, make an amendment which will restrict the distribution of the money to the persons whom everyone has in mind and wishes to protect. I am quite sure that with the legal talent we have in this Chamber it will not take long to devise an amendment which will satisfy all, as representing the mean opinion of the Senate.

Perhaps there will be those who will say, "I will not under any conditions agree to the establishment of a precedent." On that score we shall vote, and the majority will decide. It seems to me that we can reach a decision without accepting the amendment, providing for an inquiry which would mean procrastination and make it necessary to await the final report of the liquidator, which may not come for ten years. I have here the statement as to the Bank of Vancouver, a small bank which failed in 1914, and the liquidation is not yet complete or closed. You have the statement that the liquidation cannot produce more than 5 per cent, or at the outside 10 per cent, and we all know that. We might wait a year and not be further advanced with regard to the liquidation. That is the reason why I believe that, by the process I suggest, if we are really sincere in the desire to come to the rescue of poor people who have really suffered by the closing of this institution, we can do so. Honourable gentlemen who concur in this suggestion will not be bound by the second reading, and if, either on the report of the

Committee, or on the third reading, they are not satisfied, they can vote against the Bill altogether.

Hon. Mr. REID: The remarks of the honourable leader of the Government are directed, of course, to the amendment that I moved. I do not agree with the position that he takes, and my reason is this. In the amendment that I moved the point I wished to emphasize was that the Bill had come to us within two or three days of the closing of the Session. I stated that it was one of the most important Bills that had ever come before this House. I claimed that we ought to have all the information necessary in order to decide whether or not we should pay, and, if so, what amount. The honourable leader asks us to go into Committee immediately and decide that we are going to pay a certain amount.

Hon. Mr. DANDURAND: No, I am not asking that: my honourable friend is mistaken. I simply ask that we take the second reading stage and fix the Committee stage for the day after to-morrow, and if during these 48 hours we can evolve an amendment that will satisfy my honourable friend—

Hon. Mr. REID: We have had no information regarding the expenditure of this amount. Not the slightest information has the Government given to this House, in order that we may decide what position to take on this Bill. The honourable gentleman thinks that between now and Saturday night, when prorogation is expected, he can get all the necessary information and satisfy us all, so that we may honestly vote as we should?

Hon. Mr. DANDURAND: My honourable friend puts a question? I will undertake to give that necessary information to my honourable friend within 48 hours. If I fail, then there will remain this alternative—either to go on with the Session or to postpone the Bill.

Hon. Mr. REID: May I say to the honourable leader of the Government that the depositors must wait until the final report of the liquidator as to the balance they are to get.

Hon. Mr. DANDURAND: They would wait five or ten years.

Hon. Mr. REID: Five years?

Hon. Mr. DANDURAND: Five or ten years.

Hon. Mr. REID: I will take this position. If the honourable leader of the Government will agree to my proposition and bring this Bill down next Session, and let the liquidator

come and show what amount he has paid and what are the prospects regarding the balance, then we can decide the amount we ought to pay and can put the Bill into proper form at that time. That is what I think is fair.

Hon. Mr. DANDURAND: No, no.

Hon. Mr. REID: It certainly is.

Hon. Mr. DANDURAND: I want to draw my honourable friend's attention to this situation, that there are tens of thousands of poor people who are awaiting that money, and no one will look after them during the twelve months that are yet to run.

Hon. Mr. REID: Twelve months? Why, I think this House will meet within six months. Instead of going to the poor people, twothirds of this amount that is being voted would go to people who do not need to wait, because they have plenty of means. But, besides that—

Hon. Mr. DANDURAND: But it is those people that we will cut off if we can succeed in drafting a satisfactory amendment.

Hon. Mr. REID: Let me say to honourable members of this House, I would be very sorry indeed if poor people must suffer for a few months longer, but, in justice to the people of this country, and in view of the amount to be voted, I say that we ought to have an opportunity of deciding intelligently. Why, if we pass this Bill in the manner suggested by the honourable leader of the Government, the amount being fixed, we have to adopt it.

Hon. Mr. DANDURAND: No.

Hon. Mr. REID: It is in the Bill at the present time. Of course, every honourable member is free to do as he likes, but the position I take is this. I stated this afternoon, and I repeat now, that I am in favour of compensation being given to any poor people, such as those who have been mentioned by the honourable leader of the Government and the honourable member from Lambton (Hon. Mr. Pardee). If there are any poor washerwomen or labourers who are suffering, I will raise both hands in favour of assisting them, and I believe every other member of this House will do the same. But I object to voting money to directors, to companies, and to people of independent means. I object to rushing through a Bill before we have had time to examine it. I do not think that is fair. Let the House decide, by voting on my amendment, whether it desires to have all the necessary information before it. With that information before us, let us do what is

right and just. I will vote for compensation to those who are in need of it, but I will not vote for compensation to a large number of persons to whom this Bill would give it. I plead with the honourable leader of the Government to put us in such a position that we may vote intelligently, and I do not believe that anyone will suffer even if we have to delay the Bill for two months. Surely that is not unjust. I go further, and say that if this House will accept my amendment we will do justice to those who should be compensated, or those who are in need. Those people will come in next Session for at least half the amount, and I believe we will not only do justice to those who are entitled to it, but we will save the people of this country millions of dollars by not rushing through a Bill of this kind that has been imposed upon us within 48 or 72 hours of prorogation.

Hon. Mr. ROBERTSON: Honourable gentlemen, there appears to be some misunderstanding between my honourable friend the leader of the Government and the honourable member from Grenville. As I recall the amendment, it is to the effect that this matter should stand in abeyance until the liquidator of the Home Bank makes a final report, and has concluded his work. It would therefore obviously be entirely impossible for Parliament to give any further consideration to this matter for years, at least.

It was pointed out here on Monday night, I think, that the Bank of Upper Canada, which was liquidated in 1867, was not finally wound up until 1882. My honourable friend the leader of the Government has pointed out that the Bank of Vancouver, failing in 1914, is not yet wound up. Therefore if we adopt the amendment now before the House it means that the Home Bank depositors could not expect to get any further relief for a period of probably ten years. I sincerely hope that my honourable friend who moved this amendment will consent to the suggestion of the leader of the Government and let this Bill go to the Committee stage, and be amended as far as that can be done there. If we can agree, well and good; if not, there will be time enough to divide the House. If my honourable friend insists on dividing the House at this time on the question whether the Home Bank depositors of every variety are to be deprived of any relief for a period anywhere from five to ten years, then I must certainly oppose his amendment.

Hon. Mr. REID: My amendment was never intended to deprive depositors of relief for five or ten years. I am ready now, Hon. Mr. REID. if there is any need of it, to name the middle of next Session as the time when it will be brought down. The intention of the amendment is to let the liquidator give us his report, which he can do by the beginning of next Session, and on the basis of that report I am prepared that the Bill should come in here, and we will discuss it on those lines, and I will not ask for any further extension.

Hon. Mr. ROBERTSON: My honourable friend's amendment, as it reads in his own handwriting, is as follows:

That further consideration of this Bill be postponed until the liquidator of the Home Bank has made his final report showing the total losses made by the depositors after the proceeds realized from the assets have been distributed; and further, that a full list of depositors, showing the amount of losses of each depositor, has been prepared and submitted to Parliament.

Now, honourable gentlemen, I submit that that is not capable of any other interpretation than that the Home Bank depositors must wait until the assets of the bank have been disposed of and distributed to the depositors.

Hon. Mr. REID: If the House places that interpretation on it, I will amend it to read that when the liquidator has made a report to this House—

Hon. Mr. PARDEE: That does not help it.

Hon. Mr. REID: I am willing to amend that in any way when we can get the information before this House on which we can decide it.

Hon. Mr. ROBERTSON: Then that brings us to this point, that this amendment would be exactly equivalent to the amendment of the honourable member from Alma, which was withdrawn this afternoon: it would have exactly the same effect as a six months' hoist. I feel that that ought not to be entertained at this time, for I am informed by the Chairman of the Depositors' Relief Association that over 90 per cent of all the depositors, numbering over 60,000, had deposits of less than \$5,000. So that the large amounts that have been referred to are certainly very rare, and this House can go into Committee, and so revise the sections of this Bill as to provide against the payment of any unnecessary or unfair amounts to anybody. But we should proceed, and not delay in bringing reasonable relief to those who are suffering and have suffered for two years as the result of the failure of this Bank.

May I read just one letter received this morning, to indicate the class of case to which I referred? The date is yesterday.

After I spoke in the House on Monday night this letter was written:

Being a loser of my living in the way of my deposit. given me by my mother and brother, both being dead, who gave me this money for my keep, I was tripped when I was just starting to school in my fifth year, and suffered with great suffering for 16 years, and now am a cripple, who has had to make my living, having hip disease. Since losing my money in the Home Bank I have tried tailoring for a living, but have had to give it up. I saw in the morning's Globe that you would be glad to compensate small depositors in full when the Home Bank failed. My deposit—

-which was left by her mother and brother--was \$2,846.71 on August 17th. Of course I received the 25 per cent, but I am a girl without a friend or money, and may have a long life before me, and a cold world for charity, and I am asking you if you will kindly consider my condition and allow me my deposit in full, as it is the only hope that I have for a living. Thanking you, I am, etc.

Now, honourable gentlemen, there is the class of case to which I referred, in which relief should not be postponed. I am perfectly willing to adopt the suggestion of the leader of the Government, and go into Committee, and amend the details of this Bill in such a way that nobody will reap undue benefit, but that those who need the relief, and are entitled to it, will receive it promptly. I hope that the suggestion of the honourable leader of the Government in this connection will prevail.

Right Hon. Sir GEORGE FOSTER: I would like to ask my honourable friend if, in that proposition he has made, he could place before this Committee, or a special Committee, if necessary, within 48 hours or other reasonable time, a list of those who are creditors of that Bank?

Hon. Mr. DANDURAND: As depositors.

Right Hon. Sir GEORGE FOSTER: As depositors, which would include everyone who had a balance to his credit in that bank. If he is able to do that, some difficulties in my mind would be removed. What my honourable friend from Grenville is after, as stated now, is that he does not wish to go to the limit of the absolute finish of the inquest by the liquidator into the Bank's assets, which might very well take eight or ten years. What he wants is this very information which my honourable friend's proposition seems to implement. If it does fully implement it, and that information is in our hands within 48 hours, or a reasonable time, I think we might very seriously consider whether we could not come together on that point.

Hon. Mr. GORDON: I understand that within 48 hours the leader will produce a list of the 60,000 depositors of the bank; but if that list were had, of what use would it be to

any person? That is one question. The other is this: with the list of depositors, will you give separately the creditors who have current accounts, as well as those who have deposits in the savings branch?

Hon. Mr. DANDURAND: The only thing I will undertake will be this—

Hon. Sir JAMES LOUGHEED: Pardon me; will my honourable friend undertake to bring Mr. Clarkson, the liquidator, here?

Hon. Mr. DANDURAND: That is just what I was going to say. The only thing I will undertake will be this, to ask the Clerk of the House, if my proposition is agreeable, to send a wire to Mr. Clarkson to be here in the morning.

We are not binding ourselves to the principle of the Bill. We will know from Mr. Clarkson what he can give us. We will hear him before a Committee of this House in one of our large committee rooms, and there learn the situation at first hand.

Hon. W. B. ROSS: Now that the rules of the House are suspended, I take it you could send this Bill now to the Committee of the Whole without a second reading at all.

Hon. Mr. DANDURAND: I do not believe so. It does not matter if we follow the ordinary practice, and give the Bill a second reading. We declare that we do not bind ourselves to the principle of the Bill. It is simply to reach the Committee later.

Hon. Mr. LYNCH-STAUNTON: The honourable gentleman says that he will have that information to-morrow. Now, from the opinion of the House as he has learned it in this discussion, could he not in the meantime prepare an amendment which he could suggest to the House when he brings that information down? If we get only the information, we will have a wrangle here for another two or three days; but if he drafts an amendment to cover the condition which he thinks would be acceptable to the House, and brings that amendment down with the information to-morrow or the next day—

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to the fact that that is not the proper procedure to follow. I would not think of suggesting an amendment before hearing Mr. Clarkson. At a certain moment I will ask for a committee of eight or ten of the members of this Chamber to meet Mr. Clarkson, and when we have heard him we will see how far we should go in framing an amendment. Hon. Mr. LYNCH-STAUNTON: Ask for that committee now.

Hon. Mr. DANDURAND: All I intend to do just now is to ask that, without binding the Senate to the principle of the Bill, we pass the second reading in order to reach the Committee stage. We will send this Bill into Committee for, say, Friday, because the House will be sitting on Saturday, and between now and Friday afternoon we will meet Mr. Clarkson and see what the conditions are. When we have heard him, we will decide what we will do. We remain perfectly free to ask even that the Committee rise, purely and simply, and kill the Bill. There are very many methods of disposing of a Bill in the Committee stage, or on the third reading; so that the Senate is fully protected. The Bill is in its hands, and I simply ask that we get the necessary delay in order to see if we cannot satisfy the Senate fully under the form of an amendment that could be brought in after we have heard Mr. Clarkson.

Hon. Mr. CURRY: I do not think it possible to go into this Bill and understand it sufficiently to vote on it at this Session. We have more things on the Order Paper now than we can finish before prorogation. The House will meet again, doubtless, in January or February. I do not think it possible to get this Bill licked into shape in a business way, as a business man would do it, or as a banker would do it, or as we would take up any proposition involving one-tenth of this sum, and try to lick it into shape here with the information that we can get.

I therefore think that the amendment of the honourable member from Grenville should be put to the House now.

Hon. Mr. DANDURAND: Well, all right: vote on the question.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it seems to me that this discussion has resolved itself into a kind of a contest in rhetoric, between the protagonists and antagonists of this Bill. We are losing our sense of proportion, our sense of balance, and our sense of duty to the public; and if the Senate has any reputation for wisdom, it is going to forfeit or sacrifice it if we proceed in the way we are doing.

There are 60,000 depositors in this Bank. They are crying for bread, and we are giving them a stone; and I protest, as a member of the Senate, against action of that kind if we, by sitting down together, can formulate an intelligent Bill. We are here for that purpose, and no matter how long it takes to do it we should remain here to do it. I for one am prepared to do that.

Hon. Mr. DANDURAND.

Every honourable gentleman who has spoken on this subject has admitted that the element of compassion should assert itself in this matter in regard to the needy and distressed depositors of this Bank. We are all agreed upon that. I venture to say that even my right honourable friend the junior member for Ottawa (Right Hon. Sir George E. Foster) is as sympathetic as any other member in this Chamber in regard to dealing with the subject upon that basis. I may not have his authority to make that statement, but I venture to remark that if we reach a finality upon this Bill it will be so found.

My honourable friend's amendment is simply an equivalent of a six months' hoist. My honourable friend from Alma had better have stood by his amendment, and announced to the public, in plain and unequivocal language, that he proposed that the Senate give a six months' hoist to this Bill. . The amendment of my honourable friend from Grenville is simply a six months' hoist, because surely he does not flatter himself that the Government is going to accept his statement as to how this Bill should be dealt with next Session. My honourable friend must realize that this Bill will fall to the ground and become a thing of the past, unknown in Parliamentary history, so to speak, if his amendment carries. It is not the desire of this House that this should be the case. The depositors, who are largely distributed between the western limit of Quebec and the Pacific Ocean, look to the Senate to have something intelligible upon this subject.

Hon. Mr. GORDON: So do the people.

Hon. Sir JAMES LOUGHEED: And the people as well. The members in another Chamber are the representatives of the people, and they have expressed themselves almost unanimously that this matter should be dealt with. Are we going to resort to evasion in dealing with this subject in this Chamber? Are we going to seek to escape the responsibility which rests upon us by suggesting that this matter should stand until the Home Bank is wound up, which will be at least five years hence? I was speaking to one of the inspectors of the liquidator this evening, and he told me that Mr. Clarkson is fully convinced that the Home Bank assets will not realize more than 10 per cent, and it will take from five to ten years to realize that amount.

For us to give to the public a motion that this matter is to stand until the affairs of the Home Bank are cleaned up is an insult to the public; it is an insult to this Senate:

and it is one that ${\bf I}$ intend to dissent from as far as ${\bf I}$ can.

Hon. Mr. CURRY: I think that the honourable member from Grenville made it quite plain that his amendment would read that this matter must be dealt with at the next Session of Parliament. I do not think that any depositor will be harmed in that time. The depositors have already had 25 per cent of their deposits, and those deposits were no doubt put in the bank with the expectation that they would be there a long time. Even in the letter which the honourable member from Welland (Hon. Mr. Robertson) has read, the depositor admits that she has received 25 per cent. Now, 25 per cent of \$2,800 is a good deal more money than she will spend before the next sitting of Parliament, so that she and others like her will not suffer in any way by waiting until Parliament sits again and the Bill can be dealt with on its merits.

Some Hon. MEMBERS: Question, question.

Hon. Mr. McLENNAN: I would like to move an amendment to the amendment, namely:

That the amendment be altered by striking out the following words: "has made his final report showing the total losses made by the depositors after the proceeds realized from the assets," and substituting therefor the words: "a report showing the names of depositors, their status, and the amount of their deposits. and such further information as may be required."

If that can be done within 48 hours, or immediately, it will give the information which the House requires. If it cannot be done while the House is sitting, the matter will have to stand over till next Session, which would be undesirable.

Hon. Mr. DANDURAND: I would ask the honourable the Speaker to read the amendment of the honourable gentleman from Grenville (Hon. Mr. Reid), and then the sub-amendment in full, because I believe the sub-amendment takes in part of the amendment.

The Hon. the SPEAKER: As I understand it, the amendment of the honourable Senator from Grenville is:

That all the words after the word "be" in the main motion be struck out, and the following substituted therefor:

--not now further considered, but be posponed until the ilquidator of the Home Bank has made his final report showing the total losses made by the depositors after the proceeds realized from the assets have been distributed among the depositors, and, further, that a full list of depositors, showing amounts of losses of each depositor, has been prepared and submitted to Parliament. The honourable Senator from Cape Breton (Hon. Mr. McLennan) moved in amendment to the amendment:

That the Bill be not now further considered, but be postponed until the liquidator of the Home Bank has made a report showing the names of depositors, their status, and the amounts of their deposits, and such further information as may be required.

Hon. Mr. DANDURAND: By whom?

Hon. Mr. McLENNAN: By this House. He is going to make a report to this House.

Hon. Mr. DANDURAND: I simply draw attention to the fact that all these amendments are of no avail, and, in my judgment, should be rejected, because we will reach the same end by sending this Bill into Committee on Friday, and awaiting the interview that we will have with Mr. Clarkson.

Hon. Sir JAMES LOUGHEED: Will you undertake to get Mr. Clarkson?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: Does the honourable gentleman say that if these amendments are defeated and the Bill goes to the Committee it is on the understanding that we are not committed to the principle?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. CALDER: Honourable gentlemen, it seems to me that there should be no undue haste in taking a vote on this question. The honourable the Leader has stated very clearly and definitely that he asks nobody to commit himself on the principle of this Bill. It is not necessary to take a vote now for that purpose. All that he asks is that this Bill be sent to Committee in order that we may get the information we require to enable us vote intelligently on this question. That is all. Why should it be necessary at this particular moment to take a vote on the main question? The honourable gentleman has agreed, and has made it perfectly plain, that if we vote for the second reading of the Bill, and send it to Committee, nobody is voting on the principle.

For my own part, I desire information, and while I would vote for the Bill as it stands, rather than reject it, there are some very important amendments which I would like to see made to it and which I think should be made in the public interest. But we can do that in Committee. We will be here for several days yet, and if necessary we can stay here next week. This is a very important matter, and thousands of people are watching the action of the Senate at this moment. Why should we take a snap vote at this moment? Let us send this Bill to Committee.

Hon. G. G. FOSTER: Honourable gentlemen. I have listened with a great deal of interest to what the Leader of the Government and the Leader on this side have said with regard to this matter, and while I may or may not regret that I withdrew my amendment for the six months hoist, I did it in what I considered was a spirit of compromise. I see now that my action is not going to lead to that: there is too much excitement in this Chamber, too much interest in this Bill, proper or otherwise; and I would suggest that the Leader of the Government, rather than force a vote to-night upon the amendment of the honourable member from Grenville or the honourable Senator from Nova Scotia, should adjourn this matter until to morrow.

Some Hon. SENATORS: No, no.

Hon. G. G. FOSTER: In the meantime we can see if some arrangement cannot be come to to prevent this continued conflict.

Hon. Mr. DANDURAND: I would suggest to my honourable friend that he agree to my suggestion, because it does not put him in any worse position than he was in before. He does not bind himself to the principle of the Bill. If he consents to the second reading of the Bill without binding himself to the principle, and we send the Bill to Committee on Friday, I will see within five minutes that Mr. Clarkson is reached by phone and comes here by the night train. I cannot do so if I have no mandate from the Senate. I will have that mandate if we agree to the second reading and send the Bill to Committee.

Hon. G. G. FOSTER: If I am not bound in any way by the reference to the Committee —if I am as free from this time on—

Hon. Mr. DANDURAND: Perfectly.

Hon. Mr. McLEAN: I would like to ask the Leader of the Government if Mr. Clarkson will have information here to-morrow, or when he comes, showing those that are simply depositors in small amounts, so that honourable gentlemen who are opposed to the Bill on principle might vote one, two, or three million dollars to indemnify them.

Hon. Mr. DANDURAND: I will see that Mr. Clarkson is asked to bring that information. When we are face to face with him we will know exactly what we can get.

Hon. Mr. REID: Under the circumstances, cargo I would like to say that while I moved an and a amendment I have no objection to the Bill says: Hon. Mr. CALDER.

going to Committee. I would suggest to the Leader of the Government, however, that if the Session is going to close on Saturday night, he had better get the information as soon as possible. Further, in agreeing to this, I do not feel that I am barred from again moving the amendment.

Hon. Mr. DANDURAND: Certainly not. The proposed amendment of Hon. Mr. Mc-Lennan was withdrawn.

The proposed amendment of Hon. Mr. Reid was withdrawn.

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

QUEBEC HARBOUR ADVANCES BILL MOTION FOR SECOND READING-DEBATE ADJOURNED

Hcn. R. DANDURAND moved the second reading of Bill 160, an Act to provide for further advances to the Quebec Harbour Commissioners.

He said: Honourable gentlemen, the object of this Bill is to provide advances to the Quebec Harbour Commission. The second clause of the Bill explains the end in view. It says:

2. The Governor in Council may from time to time advance and pay to the Corporation of the Quebec Parbour Commissioners, hereinafter called "the Corporation", in addition to the moneys heretofore authorized to be advanced to the Corporation for the construction of harbour improvements by existing legislation and which have not, at the date of the passing of this Act, been so advanced,—such sums of money, not exceeding in the whole the sum of five millon dollars, as may be required to enable the Corporation to complete the construction of terminal facilities in the harbour of Quebec, for which the plans, specifications and estimates have been approved by the Governor in Council before the passing of this Act; and to construct such additional terminal facilities as may be likewise approved as necessary, further to properly equip the said port.

As honourable gentlemen know, Quebec has the largest, the deepest, and safest harbour on the continent of North America. Quebec is the natural port of the St. Lawrence, created without the aid of man, except for the equipment, while Montreal, my native city, has but an artificial harbour. Yet the city of Montreal, which is farther inland by 180 miles, holds the blue ribbon, and has held it for 100 years.

The port of Quebec is now coming into its own, mainly for two reasons. I have before me studies and reports of the Thirteenth International Congress of Navigation, London, 1923, and the summaries of the reports made to that Congress indicate that the passenger cargo liners are approaching a 750 length, and a 36 feet loaded draught. The report says:

It seems evident that no port which hopes to handle the largest classes of ships in general service should be content with their efforts unless they provide for draughts which exceed Suez Canal development, or something of the order of 40 feet draught, within the next quarter of a century.

The tendency, as will be seen, is towards an increase in the tonnage of ships for the economical carrying of goods on the oceans. During recent years it has not been deemed prudent to send to Montreal a ship having a draught of more than 27 feet, so that those ships remained in Quebec. They cannot go beyond that point unless it be to take on a part cargo in Montreal and to complete their complement on their return to Quebec.

The second reason why the port of Quebec is coming into its own is the fact that for the past few years there has been a marked lowering of the river level, and even ships of 15,000 or 16,000 tons, going to Montreal, have in the last three years been obliged to limit their cargoes loaded at Montreal and to take on additional cargo at Quebec. I have myself seen ships of that tonnage delayed for 24 hours in the port of Montreal by being obliged to unload surplus cargo and ship it by rail, to be taken on again at Quebec. In one season alone more than 30 vessels of the class I have just mentioned have been obliged to limit their loading at Montreal and to take on their complement at Quebec. The Shipping Federation, which had been content to have most of their ships coming to Montreal and had not been interested to any degree in the development and equipment of the port of Quebec, became alarmed at the situation, and, after studying the problem confronting them, they addressed to the Prime Minister the following resolution, dated at Montreal, March 29, 1924:

The Memorial of the Shipping Federation of Canada, incorporated by Act of Parliament of the Dominion of Canada, who own or represent 977,799 gross tons of ocean and coasting shipping trading to the St. Lawrence route, with a capital investment of many millions of dollars, a considerable portion of which is for Canadian Account.

(1) Whereas the accommodation at the Port of Quebec for the larger class of vessels is entirely inadequate, and the draft of water available will not permit using ports above Quebec, and

(2) Whereas the berths available for ocean going vessels at the Port of Quebec are now all allotted for the coming season of navigation and accommodation is unavailable for any other vessels which may desire to trade to Quebec, and

(3) Whereas at the present time a large Passenger Liner Company is seeking accommodation for its vessels at the Port of Quebec and none is available, and

(4) Whereas fully two-thirds of passengers and cargo arriving at the Port of Quebec is destined to other provinces in the Dominion, and

(5) Whereas the St. Lawrence route is the principal artery of the trade and commerce of the Dominion, and any trade diverted to ports to the south of us through

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failure to provide adequate accommodation would be a national loss, and

(6) Whereas the Government have already spent large sums of money in improving our aids to navigation, and the increased trade which has resulted therefrom during the past twenty years has fully compensated the country for the expenditures made, and

(7) Whereas the traveiling public prefer to go direct to or from their homeland or their intended protracted sojourn without passing through foreign territory, and

(8) Whereas your Memorialists have had submitted to them by the Quebec Harbour Commissioners a general plan providing for the present and future requirements of the Port of Quebec, which has received the unanimous endorsement of your Memorialists, and

(9) Whereas your Memorialists feel reluctant in recommending this plan to the Government at such a time of financial stringency, but, nevertheless, are strongly of the opinion that unless Canadian routes are developed to the fullest extent possible, there is danger of Canada losing trade to competing ports to the south of us, where immense sums of money are being expended annually in providing modern ocean terminal facilities.

Wherefore your Memorialists are of the opinion that an appropriation should be granted to the Quebec Harbour Commissioners to enable them to commence this national work as it may be pointed out that the matter is urgent when it is considered that it will take five years before any of the additional berths can be provided for the use of ocean traffic. Furthermore, your Memorialists have the greatest confidence in the present Board of Harbour Commissioners and feel that any money voted by the Government will be judiciously spent in providing accommodation for the present and future needs of the Port of Quebec.

The whole most respectfully submitted,

(Sgd) William I. Gear, Chairman, (Sgd) Thomas Robb, Secretary.

It was these representations, duly substantiated by other facts adduced, that prompted the Government to declare at the opening of this Session, through the lips of His Excellency the Governor General:

It is the intention of the Government so to equip our important ports on the St. Lawrence route, and on both the Atlantic and Pacific coasts, as to enable them to meet all requirements of modern navigation.

Quebec, as is stated in that memorandum, needs more berths It has at present 22 berths for ocean vessels, but only 9 of them can accommodate the larger class of ship.

Hon. Sir JAMES LOUGHEED: Nine in addition?

Hon. Mr. DANDURAND: No; nine out of the 22. The Port of Quebec, under these conditions, has been at times during the last three years pressed for space, and it will be more so from year to year. Honourable gentlemen who have heard the reading of the second clause of this Bill will have noticed that the amount to be lent to the Harbour Commission is \$5,000,000, but it is to cover a programme which will take five years to complete. That means that the Harbour Commission will need an advance of \$1,000,000 a year, and I urge that that work must be

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started now. We are all familiar with the elementary principle by which Governments should be guided, and which is expressed in the old saying, "To govern is to foresee." It is our duty to have that necessary foresight. There are some who are disposed to criticise, and in the community we have of course the class of pessimists. I confess that I am not at present much concerned with the past, and it is not my natural tendency to look backward. I am interested in present-day problems. It is our duty to solve them for the future, and we must look forward.

I have heard the statement that Quebec has received considerable money in the past and that it seems to have been an unproductive port, inasmuch as it has not paid to the Government the interest on the bonds which are held in the Federal Treasury. May I point to honourable members of this Chamber that there are two kinds of ports in this Dominion? There are those that are administered by Commissions, and there are others under the administration of the Department of Public Works. Quebec has been, in a sense, unfortunate, so far as bookkeeping is concerned, in being under the Harbour Commission system. The Commission is supposed to borrow money and consequently to owe the amount of money advanced. The other system is a far easier way, as regards bookkeeping, because the money which is advanced to a port is given money, which is not due by the port.

It has been stated that Quebec owed a large sum in interest but if we do look back it will be found that the ports of this country have not been equipped by prayers alone. There were perhaps prayers before money was provided from the Federal Treasury.

Hon. Mr. McLENNAN: Before an election.

Hon. Mr. DANDURAND: I have here a statement which shows that if Quebec has spent \$12,000,000 in equipping the port to its present state, Toronto has had lately-and I de not know for how many years-a Harbour Commission and has drawn upon the public Treasury for the sum of \$10,490,846; that Halifax to this date has drawn \$17,080,049; St. John, \$19,218,417; Port Arthur and Fort William, together, \$14,627,750. No interest has been paid on those amounts, and none is expected. It was the Federal Government's duty to equip those ports, just as it was its duty to furnish money to the Port of Montreal for its development, to dredge the channel from Montreal to Quebec and to advance money to the Harbour Commission of Quebec. I mention these figures in order to dismiss Hon. Mr. DANDURAND.

the idea that Quebec has received special treatment.

Quebec is not at the head of Lake Superior, nor on Lake Ontario, but is the large, natural deep-water port of the St. Lawrence. I would point out to my honourable friend that Quebec has been in a somewhat unfortunate position It had the right to expect, in view of its situation it would attract to itself considerable tonnage, but ships have in large measure passed it by and has gone up the St. Lawrence as far as they could-to Montreal. But Quebec had to be equipped, and it was the duty of the Federal Government to see that it was well equipped, largely for a business which was unprofitable to that port, but quite profitable to the country. Quebec had to erect wharves and sheds for the reception of our immigrants. It was costly to do that, and it gave nothing in return. The Quebec Commissioners have claimed that if some dues had been imposed, as has been done in many other countries, upon each immigrant, Quebec would have been enabled, by the handling of the large number of immigrants arriving there, practically to meet the interest on a large part of its debt. By virtue of orders from the Federal Government, all boats carrying immigrants have been required to stop at Quebec, and the Port of Quebec has had to stand the load.

I would draw the attention of the Senate to this situation, of which, I suppose, most of my honourable colleagues are aware, that the St. Lawrence route is becoming more and more popular for passenger service, and its tonnage has increased in large measure from year to year. The joint tonnage of Qubec and Montreal—for they must stand together, as the tonnage that cannot reach Montreal must be handled at Quebec—the joint tonnage for the years from 1917 to 1924 has been as follows:

Years			Sea-going outward
1916	 	151	147
1917.	 	152	158
1918	 	153	160
1919		155	168
1920	 	156	169
1921	 	173	171
1922	 	259	259
1923		255	260
1924	 	282	381

Hon. Mr. GORDON: Could the honourable gentleman give us the tonnage to and from Quebec separately? I presume most of those boats only pass there, do they? Hon. Mr. McMEANS: They do not load at Quebec?

Hon. Mr. DANDURAND: I have a statement, dated June 12, giving the tonnage of the sea-going and coasting vessels at the Port of Quebec for the past ten years. This is for Quebec only:

Years				Total tonnage
1916		 		 2,081,148
1917		 		 2,164,874
1918		 		 2,764,849
1919		 		 2,800,537
1920		 		 2,910,135
1921	•••	 •••	••	 2,990,141
1922		 		 3,588,530
1923		 		 3,768,214
1924		 		 4,791,757

There has been a gradual increase from 75,890 in 1916 to 1,023,543 in 1924.

I have also a memorandum showing the gross tonnage of vessels coming to the St. Lawrence route during the past eight years, for the Ports of Quebec and Montreal:

V					Grand total
Years					of gross tonnage
1917	 	•••			5,717,309
1918	 				5,747,390
1919	 •••	•••			6,037,014
1920	 	•••			7,119,443
1921	 	•••	•••	•••	10,365,450
1922	 		•••		13,589,699
1923	 				12,924,048
1924	 				14,832,048

This shows the increased patronage enjoyed by the St. Lawrence route, and the statement that I read first, concerning the movement of ships at the port of Quebec, indicates a quite healthy development.

We have been inquiring into the railway situation lately, and we all know that passenger traffic on railways is generally recognized as being the unproductive part, so far as revenue is concerned. The freight is the more profitable. But the passenger service on ocean vessels represents a considerable asset. I am not prepared to state exactly what is the proportion between passenger service and freight, but I know that the passenger returns of liners coming to our ports, in increasing numbers and tonnage, indicate that the number of passengers is very large. It is so large that people at the beginning of the season who desire to book passage find that they must book ahead a month or two before they can be assured of the necessary reservation. I may add that we can hope, from what has taken place in these last years, to capture more and more the tourists from S-351

the American Middle West, to say nothing of our Canadian people. I was surprised to find, in the last trip that I took on the St. Lawrence, and in meeting Americans in Europe, that from such ports as Boston on the Atlantic we had people coming to Montreal and Quebec to take ships to Europe, and it will be more and more to Quebec, because the larger and better equipped vessels will have to stop and take berth at Quebec.

With the greater knowledge that the American people to the south are gaining of Canada, the knowledge that they can have an ocean trip of four days instead of six from their own ports of Boston and New York, that they can enjoy the river scenery for two days instead of being tossed about on the ocean waves, with the additional pleasure of a trip down the St. Lawrence, and the advantage of finding during those two days their sea legs, which they do not very easily do when leaving straight from New York and Boston, I am convinced that within a few years the St. Lawrence will enjoy in a marked degree a very large patronage from the United States. That patronage, joined to that of our tourists from Canada, represents quite a large benefit to the railways, to the cities, and to our ocean steamers. I am convinced that if we do what is necessary to develop our port facilities for the largest type of passenger vessels, Canada will be the gainer.

The situation disclosed by the Shipping Federation is one to which we cannot close our eyes. The Government has felt that it could not close its eyes to it, because the moment will soon arrive when a greater and still greater number of vessels will stand by at Quebec, and not go further up the river. I believe it is our bounden duty to start right away on a programme of development in order to provide further berths for this oceanvessel trade. I say this without taking into consideration the outward freight which may at any moment flow to the port of Quebec through a rearrangement of the railway rates to Quebec, and the impending movement of immigrants which should come through that port, since the United States are making more severe their exclusion laws through the quota principle.

With these few remarks, I beg to move the second reading of this Bill. I have the plans and estimates, and the mode of expenditure of this money. I need not detain this Chamber longer; these are all matters that can be taken up in Committee.

Hon. Mr. L'ESPERANCE: As it is getting pretty late, I would like to move the adjournment of the debate. Hon. Mr. DANDURAND: Perhaps, as it is late, we could have the second reading of this Bill this evening, if the debate is not to be a long one.

Hon. Mr. McMEANS: My remarks will be very short.

Hon. Sir JAMES LOUGHEED: My honourable friend cannot get his second reading to-night.

Hon. Mr. McMEANS: I regret that I cannot congratulate the leader of the Government on the specious arguments he has made in introducing this Bill. I believe he has been labouring under a great deal of difficulty. I think it was only yesterday that, in answer to a remark of my own he agreed that it was time we curbed the expenditure of the Government just now.

It would be useless for me to extend my remarks on the financial condition of the country to-day. It has been remarked upon by the junior member for Ottawa in the debate on a question that preceded this. I stated the other day that the debt of this country, taking in the railway deficits, amounted to \$3,331,000,000. It is a wellknown fact that the Government of the day is adding day by day and week by week to that enormous debt. It has been stated in the public press that the amount added to the debt of the country since this Government has come into power has been no less than the enormous sum of \$2,000,000 a week.

In the face of this tremendous debt, and the increased cost of Government, I feel it my duty to raise my voice in protest against the expenditure of any further sum of money that will add to the burden of the people of this country, unless the matter is one of absolute necessity. The Bill that preceded this one involved the adding of \$5,450,000 to the debt of this country. To-day we have another Bill involving another \$5,000,000; so that these two Bills would mean an additional burden on the people of this country of \$10,-500,000 added to the debt, which I think they cannot very much longer sustain.

If there were any immediate necessity for the vote of the \$5,000,000 involved in this Bill, or if the honourable leader of the Government could show that there would be some prospect that the money would be spent so that the burden of the country would be lightened, I for one would be very glad to vote for it. But what are the facts? I have no desire to throw any reflection on the port of Quebec, or any port in this Dominion which requires additional money. The honourable gentleman has stated that we have spent Hon. Mr. L'ESPERANCE.

money on Halifax, on St. John, and here and there, and now he says it is time we spent more money upon Quebec. What kind of an argument is that to put up to the members of this House?

Hon. Mr. DANDURAND: I certainly did not make that argument. I said that all this money was usefully expended, and although there was no return in interest from Halifax, Toronto, Fort William and Port Arthur, there was no reason for not making the expenditure.

Hon. Mr. McMEANS: Very good, but is the fact that we have spent a lot of money in those places any argument why we should throw more in the same direction?

Hon. Mr. DANDURAND: No, but that we should equip our ports.

Hon. Mr. McMEANS: These Bills are brought down at a time when the press is full of rumors of a general election. I do not know about that, but I want to criticize the expenditure in Quebec. Sir Wilfrid Laurier put this country to an expenditure of nearly \$200,000,000; I am not sure of the exact sum, but we will put it at \$170,000,000, and this was spent for the purpose of making a port at the city of Quebec. The object of building the Transcontinental railway was that Quebec should be a great port, and should export all the grain of the West, which was to flow down the Transcontinental Railway, and through that port. What has been the result? \$13,-000,000 more have been voted to the port of Quebec, and to-day the Harbour Commission is indebted to this Government in the huge sum of \$8,000,000 for interest alone, on which they have not paid a dollar. They had eight years in which they had all the advantage of \$200,000,000 that was spent on the Transcontinental Railway, by which the grain and everything else was to flow through the port of Quebec.

Hon. Mr. DANDURAND: They have not had that advantage at all.

Hon. Mr. McMEANS: Last year, after the expenditure of \$200,000,000 to make Quebec a shipping port for the West, they shipped 1,500 head of cattle, after spending huge sums of money for the purpose of building elevators and docks and wharves. And how much grain did they ship out of Quebec? 5,000,000 bushels. Still the honourable gentleman comes to this House and asks for another \$5,000,000 to be thrown into the port of Quebec, for which, in my humble judgment, he can show no immediate necessity. The port of Quebec has come along all right, so far as it goes, but where is the necessity of adding

to the burdens of our people an extra \$5,-000,000?

The honourable gentleman has read reports from some shipping association or something else. I could cover this floor with demands and reports for the expenditure of money for the completion of the Hudson Bay Railway. Over that entire country they have associations, engineers and reports, and they want to complete a port on Hudson Bay; but if I were to-day in a position to introduce a measure into this House, after an expenditure of over \$20,000,000, to provide for \$2,000,000 to complete that road, I am afraid I should not receive very much support from the honourable gentleman opposite.

I understand that a very large sum of money has already been advanced for the purpose of deepening the St. Lawrence route between Montreal and Quebec; yet here we have the Government asking for \$5.000,000 more for a port which apparently cannot be made a success, which is equipped to-day with all the necessary docks, and everything to accommodate the traffic; and they ask for more money to deepen the St. Lawrence and take the freight away from Quebec. That is what it amounts to, and there must be an end of this sort of thing.

I will tell the honourable gentlemen that the people of Canada are demanding an account from the present Government. They are demanding that the debt of this country shall not be increased. They are demanding that there shall be a curb to the extravagance of this Government, and they will visit the Government with condign punishment if they will not listen to the voice of the people, who demand relief from the tremendous burdens of taxation that press upon them at this time, and that those huge sums of money shall not be voted from year to year and added to that debt.

I have nothing further to say. I have done my duty in raising my protest against further expenditure by the Government unless there is some strong reason and immediate necessity for it.

Hon. Mr. L'ESPERANCE: I beg to move the adjournment of the debate.

Hon. Mr. GORDON: Before you do that, I would like to read a letter I have received from a very prominent gentleman in Quebec, whose name I cannot give now:

In 1922 you may remember I approached you asking you to encourage the vote in favour of the grant to the Quebec Harbour Commissioners. Before I wired you on that occasion I was assured that the money was wanted for the purposes indicated, that is, the completion of the harbour to its present capacity of 26 occan-going steamers. The Harbour Commissioners' report shows they now have this. The demand for further docks is unjustifiable in the extreme. The exports from Quebec are small. During last month, probably as busy a month as we will have this season, the total ocean exports were—

Hon. Mr. L'ESPERANCE: I think we are entitled to have the name of that gentleman.

Hon. Mr. GORDON: I do not propose to give you the name just now.

Hon. Mr DANDURAND: What is the value of any statement which is anonymous?

Hon. Mr. GORDON: After I read the letter perhaps you will see whether it is of value.

Hon. Mr. PARDEE: Is it an anonymous letter?

Hon. Mr. GORDON: No, it is not. It goes on:

General	Cargo	 5,130 tons
	and timber	7,100 tons
Grain		 259,000 bushels
		1.070 head

Three modern steamers, probably two, could have handled all those exports with ease. That is the total ocean going exports of the port of Quebec during a socalled busy month. There is no present trade, and no trade in sight. We are not spending one dollar on new docks. The situation, owing to the money spent on the port, is absolutely unchanged since 1922. One of the worst features of the case is that the present harbour is not being kept up. One of the best sheds, No. 29, on which over \$20,000 was spent last year, is in very bad condition, and I believe a steamer loading at that berth, a very important one, would be unable to get grain, owing to the carrier being unsafe. A good many thousand dollars will have to be spent on that section of the docks. I understand the damage is attributed to the earthquake, but further capital expend-iture on the present docks is being kept well in the background till the present raid on the treasury is completed.

I think if honourable gentlemen knew the name of this gentleman from Quebec they would take his word for anything.

Hon. Mr. L'ESPERANCE: I would like to know his name. Would the honourable gentleman show it to me privately?

Hon. Mr. GORDON: Yes, I would be very glad, with the permission of the writer first.

Hon. Mr. DANDURAND: Did the honourable gentleman obtain the permission of the writer to communicate this?

Hon. Mr. GORDON: I will get it; I will endeavour to get it.

On motion of Hon. Mr. L'Espérance, the debate was adjourned.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill B6, an Act for the relief of Walter Roderick Lewis.—Hon. W. B. Ross.

Bill C6, an Act for the relief of Irene Muriel Corelli.—Hon. W. B. Ross.

CONDITIONS OF DIVORCE BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Willoughby, the Senate went into Committee on Bill 4, an Act respecting Divorce.

Hon. Mr. Beaubien in the Chair.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Willoughby, the Bill was read the third time, and passed.

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

THE SENATE

Thursday, June 18, 1925.

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

Prayers and routine proceedings.

DAIRY INDUSTRY BILL THIRD READING

Bill 109, an Act to amend the Dairy Industry Act, 1914.—Hon. Mr. Dandurand.

CUSTOMS BILL

THIRD READING

Bill 145, an Act to amend the Customs Act.—Hon. Mr. Dandurand.

CANTEEN FUND, DISABLEMENT FUND, ETC.

REPORTS OF SPECIAL COMMITTEE

On certain reports of the Special Committee appointed to inquire into the matters relating to the administration of the Canteen Fund and the Disablement Fund, etc:

Hon. Mr. BELCOURT: There is not very much time for making any comment on the reports, so I shall abstain from going into any detail, and will merely content myself with saying that the Committee has sat for long hours on many occasions, and has gone into the matters involved, with the greatest possible care and the greatest possible attention because of the material and important issues involved. These reports are the result of not only continuous labour, but very serious consideration.

It was ordered, that the reports be taken into consideration to-morrow.

POSITION OF COL. A. H. BORDEN INQUIRY

Hon. Mr. TANNER inquired of the Government:

Hon. Mr. L'ESPERANCE.

1. What position in the Militia Department or Militia Service did Colonel A. H. Borden hold during the current year?

2. What are (a) the salary and (b) allowances, respectively, of the position?

3. Is he retired, and, if so, from what date does his retirement date?

4. Is he at present off on leave; and, if so, for what length of time; and on what rate of pay?

5. On retirement what amount of annual allowance will he be entitled to?

Hon. Mr. DANDURAND:

1. District Officer Commanding, Military District No. 2.

2. (a) Salary, \$4,745 per annum; Allowances, \$1,825.

3. Yes. 31st May, 1925.

4. No.

5. \$2,476.26 per annum, to be increased after 1 148/365 years by \$302.95 when unpaid dues for service in the Active Militia will have been paid, and after a further 2 35/365 years by \$111.59, when all unpaid dues will have been recovered; such pension to commence from the 1st June, 1925.

HOME BANK DEPOSITORS RELIEF BILL NOTICE OF MEETING WITH LIQUIDATOR

On the Orders of the Day:

Hon. Mr. DANDURAND: Before the Orders of the Day are called, I desire to notify honourable gentlemen of the Senate that there will be a meeting of the Banking and Commerce Committee at 10 o'clock to-morrow morning to hear the liquidator of the Home Bank, and to obtain from him the information that was referred to in the debate on the motion for the second reading of that Bill. This meeting will take place at 10 a.m., and I desire to say that, although only a certain number of Senators are members of the Committee, all the members of the Senate who are interested in the question and who desire to attend the meeting will be most welcome.

Hon. Mr. McLEAN: In what room?

Hon. Mr. DANDURAND: The Railway Committee room.

Right Hon. Sir GEORGE E. FOSTER: I notice that the Railway Committee is called for to-morrow, I think at the same hour.

Hon. Mr. DANDURAND: I think the Railway Committee is called for 10.15. We have the right of way at 10 o'clock. I do not know what has been referred to the Railway Committee, but if there is anything of importance that Committee may sit elsewhere.

Hon. W. B. ROSS: The Special Committee on Railway Expenditure is called to meet at 11.30 to hear Mr. Crerar. Hon. Mr. DANDURAND: If we sit at 10 a.m.—and I suggest that the members of the Committee be prompt in attending—we shall have an hour and a half before the meeting of the Special Committee.

Hon. Mr. DANIEL: I may call attention to the fact that the Committee on Railways, Telegraphs and Harbours is called for 10.15.

Hon. Mr. DANDURAND: Yes, I have been informed of that, but I do not know what is on the Order Paper for that Committee. There may not be many matters for consideration by the Committee, probably one Order of the Day, and if it is a Bill returned from the House of Commons we can well afford to set it over to Saturday or Monday.

Hon. Mr. REID: Honourable gentlemen, I do not want to suggest anything that will not meet with the approval of the members of this House, but it appears to me from the Order Paper that we might get through this afternoon before 6 o'clock. That being so, would it not be possible to have that meeting tonight? The Home Bank Bill is the first Order on the Order Paper for to-morrow, and it might be well that we should have a little more time.

Hon. Mr. DANDURAND: Well, if we go through the Order Paper by 6 o'clock, inasmuch as we have several other committees called for to-morrow, I would be quite willing that we should avail ourselves of the evening to hear the liquidator of the Home Bank at 8 o'clock.

QUEBEC HARBOUR ADVANCES BILL SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 160, an Act to provide for further advances to the Quebec Harbour Commissioners.

Hon. D. O. L'ESPERANCE: As I have been identified with the Port of Quebec for a number of years, as Chairman of its Harbour Commission, I feel it is my duty, honourable gentlemen, to offer a few remarks on the Bill now under discussion.

I have listened with a great deal of interest to the explanation of this Bill by the Leader of the Government. In so ably presenting this measure he has given facts and used arguments which I may have to repeat, at the risk of tiring this honourable House. I have also listened carefully to the remarks of the honourable member for Winnipeg (Hon. Mr. McMeans). Although I do not share his views, I have no fault to find with the way he has presented his case in answer to the Leader of the Government. But the honourable member for Winnipeg, in the course of a very impressive address delivered in this House last week, on the National Debt of this country, singled out this measure as a very extravagant and unjustified piece of legislation. Although he may have had a perfect right at that time to use the words he did. I hope he will not be offended if I tell him that in my humble opinion they were somewhat indiscreet. My honourable colleagues on both sides of this House will bear me out, I hope, when I say that in the course of a rather long, if modest, public career, I have never allowed myself to be stampeded by sentiment. My stand on public questions of national import has been taken at the dictates of my conscience and judgment, and was never governed by passions raised in my Province or elsewhere. But I am bound to say this to the honourable member for Winnipeg: I am sure that in his address delivered last week he had no desire to be unfair, or to prejudice the case against the Port of Quebec. However, in denouncing so vigorously and opposing so strenuously a measure which had not yet reached this branch of Parliament, I regret that my honourable friend did not realize that he was opening the door for another of those campaigns of misrepresentation from which some of us have suffered so much in the past, and which have done so much harm to this country.

It has been said, and very truly, that transportation is the key to national prosperity. I shall, therefore, approach this question not merely as one of great importance to my city and district, but also as one which is of vital interest to the whole Dominion.

It is true that we are face to face with a very serious financial situation, due in great part to our acute railway problems. However, I do not agree with those who believe that economy and retrenchment alone will save this country. I submit that this was not the policy followed in times gone by by the big men whom history records as nation builders. Let us apply the knife wherever waste or extravagance exists. On the other hand, we must not choke the avenues of trade which are susceptible of great development, and will co-operate to a large extent in obtaining that volume of traffic we need if we are ever to solve our railway difficulties.

Have any serious efforts ever been made to adopt a sound national policy as regards the co-ordination of our publicly owned railways, canals and harbours? I have no hesitation in answering in the negative. I will not take up the time of this honourable house in quoting statistics with which you are all familiar. It is sufficient to say that although this Dominion is blessed with three transcontinental roads having access to Canadian harbours, second to none in the world, it stands to our shame that over 50 per cent of our exportable grain finds its way across the ocean through American railways and American ports.

Quebec is one of the largest deep-water ocean harbours in the world. The threatened lowering of the water in the St. Lawrence above, through deforestation, or the diversion of water from the Great Lakes to the Mississippi, by way of Chicago, cannot affect that port, because it is near enough to the ocean to be on tide-water, which gives it the distinct advantage of an assured depth of water at all times.

By the deepening of the St. Lawrence above, Quebec has lost her supremacy of old, in so far as vessels of a certain draft are concerned; but the fact remains that Quebec is, and always will be, the only port on the St. Lawrence which vessels of the largest type can reach at all times and be safely harboured.

For many years, up to 1912, the port of Quebec has been handicapped by lack of adequate facilities for vessels of a large draft. It was in 1912-13, under Sir Robert Borden's Government-and I wish to say here, en passant, that the port of Quebec never had a better friend and a more intelligent sponsor than the distinguished and eminent statesman who was then presiding over the destinies of our country-it was in 1912-13, that the port was given its present status. The initial progamme of works, outlined by the regretted Sir William Price, its first Chairman, after the reorganization, provided for the construction of a few deep-water berths in the estuary of the river St. Charles. In 1916, when I succeeded Sir William, this programme was continued, with the addition of two modern concrete sheds, and the completion of the grain elevator, which has now a capacity of 2,000,000 bushels. Upon completion, these berthing facilities were utilized by the large vessels of the Canadian Pacific Steamship Company and the Cunard Steamship Line.

There are now seven deep-water berths having shed accommodation which are used as follows:

Three berths, on the breakwater, just about enough to take care of the steamers carrying passengers and jmmigrants. When unoccupied, these berths are used by oceanbound steamers from Montreal, which have to complete their cargoes at Quebec on Hon. Mr. L'ESPERANCE. account of the low level of water in the channel above. None of these berths can be allotted permanently to any special steamship line, as they must be kept available for incoming passenger vessels, so as not to delay the disembarkation and inspection of immigrants.

The fourth berth, opposite Shed No. 28, is leased to the Canadian Pacific Steamship Company. The fifth and sixth berths, opposite Shed No. 27, are used for general cargoes such as timber, asbestos and pulpwood, also as a resting, feeding and loading station for cattle, which traffic is very promising. We have it from the exporters of cattle themselves that the facilities provided at Quebec are not equalled anywhere else, while the saving to them amounts to about \$5 per head of cattle. It goes without saying that none of these berths can be utilized by steamships carrying passengers.

The seventh berth, opposite Shed No. 29, has been rented to the Cunard Steamship Line and the Robert Reford Company.

The two remaining deep-water berths on the quay wall alongside the grain galleries are grain-loading berths, also used by oil-tankers, and have no shed accommodation. My information is to the effect that by the leasing in 1924 of berth and Shed No. 29 to the Cunard Line for a number of years, the last deep-water berth has been allotted, and there remains none available for other large vessels. This assertion is well borne out by the resolution of the Shipping Federation of Canada, from which I quote the following paragraphs:

Whereas the accommodation at the Port of Quebec for the larger class of vessels is entirely inadequate, and the draft of water available will not permit using ports above Quebec, and

Whereas the St. Lawrence route is the principal artery of the trade and commerce of the Dominion, and any trade diverted to ports to the south of us through failure to provide adequate accommodation would be a national loss, and

Whereas your Memorialists have had submitted to them by the Quebec Harbour Commissioners a general plan providing for the present and future requirements of the Port of Quebec, which has received the unanimous endorsement of your Memorialists, and

Whereas your Memorialists feel reductant in recommending this plan to the Government at such a time of financial stringency, but nevertheless, are strongly of the opinion that unless Canadian routes are developed to the fullest extent possible, there is danger of Canada losing trade to competing ports to the south of us, where immense sums of money are being expended annually in providing modern ocean terminal facilities.

Wherefore your Memorialists are of the opinion that an appropriation should be granted to the Quebec Harbour Commissioners to enable them to commence this national work as it may be pointed out that the matter is urgent when it is considered that it will take five years before any of the additional berths can be provided for the use of ocean traffic. This resolution was passed in 1924, and my information is that the situation has not improved since.

Lest we forget, our friends are good enough to remind us once in a while that the Harbour Commissioners have not as vet paid interest on the moneys borrowed from the Dominion Government. True; but this may easily be explained by the fact that in the past the Port of Quebec has been mostly used for the landing of immigrants who have come to this country each year in numbers averaging from 75,000 to 100,000. This traffic, which makes use of the best facilities of the port, is yielding no revenue; yet these facilities have to be maintained yearly at considerable expense, and have also to be improved frequently at the request of the steamship companies. Moneys have to be borrowed in that respect, on which an annual interest is charged to the Harbour Commission.

The dredging of the channel between Quebec and Montreal has cost this country considerable sums of money. This channel was built, not for the Port of Quebec, but exclusively for the Port of Montreal; without it, the Port of Montreal would not exist. However, the interest on the millions of dollars disbursed for the deepening of the channel is not charged against the Port of Montreal, but is borne by all the taxpayers of Canada. Why, therefore, should the Quebec Commissioners be compelled to build and maintain facilities for immigration which benefits Canada at large. and be charged interest on the moneys thus spent, while the port is not allowed to derive revenue or to receive compensation in respect thereto?

The Harbour Commissioners have just completed the building of a modern cold-storage plant to take care of the exportable dairy products manufactured in the vast and prosperous farming districts tributary to that port. This cold-storage plant will remove one of the principal obstacles which have prevented steamers from making a greater use of that With facilities for perishable goods, port. grain, cattle and packet freight, it will now be possible for steamers to load at Quebec combined cargoes, which were not obtainable in the past. To confirm this, I am informed that the number of inward- and outwardbound vessels using the port of Quebec in May increased by about 25 per cent over the same period last year, with a comparative increase in tonnage. Quebec has also the distinct advantage of being nearer to Winnipeg than any of the other Atlantic ports. It is linked to this western distributing grain

centre by one of the best, if not the best, graded railways in the world.

The harbour of Quebec is 500 miles nearer to Liverpool than is the port of New York. It is served by the Canadian Pacific and the Canadian National railways which have direct access to its docks. As a passenger gateway between Northern Europe and the North American continent, I need not tell my honourable colleagues here what its advantages are: they know them as well as 1 do. During the season of navigation, Quebec stands unrivalled as a passenger route. It is becoming more and more popular and better patronized by all classes of travellers. The advertisement which Canada and the St. Lawrence route receive from this source cannot be estimated in dollars and cents.

The London Congress of 1923, held under the auspices of the International Association of Navigation Congresses, at which all nations were represented, came to the conclusion that the best type of ships for all purposes were ships of 20,000 to 25,000 tons. The supership of 40,000 tons and over, is impracticable, while the small types are no longer profitable. There was also read at that Congress a very important report by Mr. L. H. Saville, Chief Engineer of the Admiralty, from which I will quote two paragraphs, which have a very important bearing on the question before us:

The percentage number of vessels of 30 feet draught and over is at present very small, but it is on the increase, and there is little doubt that when the Suzz Canal is deepened to 40 feet, the percentage number above 30 feet draught will be greatly increased and first class Ports would do well to afford a depth in their approach channels not much inferior to that of the Suzz Canal.

And then he adds:

A first-class passenger harbour serving the Atlantic trade will require to provide depth in the neighbour-hood of 40 feet at low water.

Who makes this statement, honourable gentlemen? Not your humble servant, not the Quebec commissioners, not the Shipping Federation of Canada. No, it is the naval expert and chief engineer of the British Admiralty.

As I have already stated, Quebec is, and will ever be, the only port on the St. Lawrence which can accommodate ships of 16,000 tons and over. If we couple to these favourable factors and to these undisputed natural advantages of Quebec the certainty that some day the St. Lawrence river will be navigated well into February, I submit that Canada and the British Empire have in the port of Quebec an asset which it is not possible to overestimate.

That I may not be taxed with exaggeration in making such a statement, allow me to quote an extract from a report prepared by the celebrated British experts on port construction, Messrs. Coode, Matthews, Fitzmaurice, and Wilson, of London. In 1913, at the request of the lamented Sir William Price, this firm sent two of its members, Mr. Coode first, and then Mr. Wilson, to enquire and report as to the best means of developing and equipping the port of Quebec, and also on the possibility of extending the period of its activities. After a long and thorough investigation, here is the conclusion of the report they made as regards the extension of navigation on the St. Lawrence:

Hitherto, the period of open navigation has usually lasted from the end of April to the beginning of December in each year, but we understand that the prospects of extending this period into February, at least, are sufficiently promising as far as navigation between the ocean and Quebec is concerned, to warrant an enquiry into the question of its feasibility. In view of the congestion which occurs under present conditions in handling the grain of this country, and the unique position which Quebec would then occupy amongst Canadian Ports, any such extension of the period of open navigation, provided the port were equipped with requisite facilities, must result in enormous gain to Quebec and to the Dominion generally.

Just a few words, honourable gentlemen, and I will conclude my remarks. I regret having detained you so long; my excuse is that I have seldom abused this privilege. While I have an unbounded faith in the ultimate success of the port of Quebec, I must confess that when last year I heard of the plans of the Quebec Harbour Commissioners I was not at first impressed with their emergency; but, after the information which has been given that these plans have received the approval of the presidents of the Canadian Pacific and Canadian National railways, I have altered my views. We have also the testimony of the highest authority in the matter, the Shipping Federation of Canada, to the effect that the work on these plans should be proceeded with at once, as it will take five years to complete them and before they can be utilized. It has not been customary in the past for large Montreal interests to bother or worry very much about improvments in the port of Quebec. There must indeed be a very strong and a very urgent reason when such a highly responsible body as the Shipping Federation, having its headquarters in Montreal, makes on behalf of our port a request couched in such strong and unmistakable terms. No one knows better than the Shipping Federation, which represents all the interests using the St. Lawrence route, of their present and future projects with regard to the utilization of the port of Quebec.

No one knows better than the Shipping Federation the national disaster that would Hon. Mr. L'ESPERANCE. befall this country if we were to advertize to the world to-morrow that we have declined to further equip the only deep-water port on the St. Lawrence which can and will ever be able to accommodate those types of ships which have been recommended by the London Congress of 1923, and which, according to one of the greatest naval experts of the world, will in the near future displace all other types of vessels on the Atlantic ocean.

So far as I am concerned, I am not prepared to assume the responsibility of telling this honourable Chamber that the Shipping Federation of Canada and the Presidents of our two great systems of railways have formed an alliance with the Quebec Harbour Commissioners and the Canadian Government for the purpose of deceiving the taxpayers of this country. I am satisfied that in supporting this measure I am serving the best interests of Canada as well as those of my city and district.

Hon. J. G. TURRIFF: Honourable gentlemen. I had not intended to take any part in this debate, for the reason that during the greater part of last Session and the early part of this Session I was unfortunately not in condition to give the attention that I had been accustomed to give to measures that came up in this House. However, when I come to consider the present situation of this country, and a proposition is put before this House for the voting of an additional \$5,000,000 for the further equipment and deepening of Quebec harbour, it strikes me very forcibly as an uncalled-for and unnecessary expenditure at the present time. I have visited the port of Quebec on several occasions of late years, and I must say that each and every time that I have been there I have observed the huge wharves and huge sheds and all the necessary attributes of a great port except goods to be shipped. The goods were not there: they were not going there. So it strikes me that the harbour facilities are quite sufficient for the present.

I want to say just here that I am an old Quebec boy and that my sympathies are entirely with the city of Quebec. I think Quebec harbour and the city of Quebec have been crucified in the past, and by every government of Canada. But I think also that when the Harbour Commissioners of Quebec come forward and ask that such a large sum as is proposed be voted, they should present information which would satisfy the honourable members of this House that the expenditure was absolutely necessary. There may be in the shipping season a day or two when the port may be crowded, but the facilities of Quebec have never been used to their capacity, and they are not used to their capacity at the present time.

A great argument is made of the fact that wheat is not sent down there for shipment. They have a two-million bushel elevator. An elevator of that size is capable of handling six to eight times its holding capacity. A two-million bushel elevator could put through from 12 to 15 or 16 million bushels a year. What have they ever had to ship through that elevator? If my information is correct, about five million bushels is the greatest quantity that has ever gone through that elevator in any one year, and in most years the quantity has been considerably less.

Now, why go to the expenditure of another \$5,000,000 until the present capacity is used? I am sure that the members of Parliament, of both Houses, will readily and gladly give the necessary vote to secure additional facilities, if it can be shown that they are necessary. Nothing would give me greater pleasure than to feel and see that the harbour of Quebec needed another \$5,000,000 in order to handle the traffic coming that way.

Take the matter of wheat. Does anybody here think that there will ever be much wheat shipped through the port of Quebec? If any honourable member here is under that impression, he is in my estimation labouring under a great misapprehension. And who is it that keeps the wheat from going to Quebec? Chiefly, to-day, the Government of Canada. It is mainly because of the action of this Government, and of all the Governments in the past, that it has been rendered difficult to ship wheat to Quebec. There is one thing that we must all bear in mind, and that is that there is no sentiment whatever in the dealers in wheat any more than there is in shippers of or dealers in practically any other commodity. Wheat will go by the easiest and cheapest route, whether through Canada or through the United States.

Hon. Mr. DANDURAND: Before the honourable gentleman stresses that point, may I ask that, as he has made the very broad statement that the Government of Canada is preventing wheat from flowing through to the port of Quebec, he will kindly explain that thought?

Hon. Mr. TURRIFF: Certainly, I shall be most happy to do that. I was coming to it in a little while.

Hon. Mr. DANDURAND: I thought the honourable gentleman was passing over it.

Hon. Mr. TURRIFF: Oh, no. I think I can convince my honourable friend, whom I admire very much, and who is very reasonable. I particularly admire his adroitness and suavity, and his ability in getting his legislation through this House, though he often meets a pretty firm and numerous opposition. Therefore I shall be very pleased to give him my ideas of why the Government is to a certain extent responsible.

National Transcontinental We built the railway some years ago. The statement has been made time and again, by all the head men connected with the building of that road, that it was built, for one reason, in order to help the grain-growers of Western Canada to get their grain landed in Liverpool or other foreign markets at the cheapest possible rate. It was stated that grain could be carried more cheaply by that line than it had been carried by rail and water in the past. Shortly after the road commenced operation, in order to carry out that purpose, the Government of Canada made a rate of six cents a bushel from Armstrong, a point on the Transcontinental corresponding to Fort William or Port Arthur on the C.P.R .- six cents from Armstrong to Quebec.

Hon. Mr. DANDURAND: At what date?

Hon. Mr. TURRIFF: It was shortly afterward.

Hon. Mr. CHAPAIS: It was in 1919.

Hon. Mr. McMEANS: In 1916 the rate was made

Hon. Mr. TURRIFF: That was the time they raised the rate?

Hon. Mr. McMEANS: No.

Hon. Mr. TURRIFF: But that was the rate that was made; and I heard my honourable friend the Senator from Grenville (Hon. Mr. Reid), who was then Minister of Railways, make the statement on the floor of the House that grain could be carried for six cents a bushel from Armstrong to Quebec without any loss to the railway. Well, if that rate had been kept in force, much more grain would have gone to Quebec than is going at the present time.

Hon. Mr. TURGEON: It would all have gone.

Hon. Mr. TURRIFF: But what was done shortly afterward—done, I have no doubt, at the instance, largely, of the barons of Montreal? That rate was changed to—how much? Twenty-five cents a bushel. In the face of that am I jutified or am I not justified in saying that to a large extent the Government of Canada have been responsible for wheat not going to Quebec? Remember that, as I said before, when they increased that rate to 25 cents a bushel, it was just killing the trade. As I have said, wheat will go by the cheapest route. Onequarter of a cent a bushel less will divert it to the cheaper route, no matter where that route is.

I have heard some criticism made during the last month or two by people in Canada against one of the Western grain companies. I think it was a Saskatchewan company.

Hon. Mr. WILLOUGHBY: The Cooperative.

Hon. Mr. TURRIFF: The Saskatchewan Co-operative Company—for building an elevator in the city of Buffalo. Well, whose fault is that? It is largely the fault of the Government.

Hon. Mr. DANDURAND: But the Government does not fix the rates.

Hon. Mr. TURRIFF: Yes, the Government does fix the rates to a very large extent. Those people had intended to build at the eastern end of the Great Lakes. Before going to Buffalo they pointed out to the Government that our Canadian boats were taking wheat to Buffalo, a day's sail farther than to our own ports, for less money than was being charged our own people, and they asked that under those circumstances, when wheat was being carried to Buffalo for half a cent less than it was carried to our own ports, a day's run nearer, the Government should step in and suspend the coasting laws. The Government refused to do so. The matter was brought before the Minister of Railways, and he said: "Why should I do it?" And he did not do it. The Saskatchewan Elevator Company then said, "We have to get our wheat to foreign markets as cheaply as possible," and they built their elevator at Buffalo. That location has many advantages. They can ship from Buffalo to Montreal; they can ship from Buffalo to New York; they can ship from Buffalo to Boston-to any of the seaports. That is the reason why the wheat is going there. That would not have been the case if the Government had answered their question in this manner: "If our boats carrying wheat to American seaports for one-half a cent a bushel less than they will charge for carrying it to our own ports, although they have to sail a day farther, we will suspend the coasting laws and allow American vessels to come in and carry our wheat down to the lower end of the Lakes at as low a rate as it is being carried to Buffalo." Indeed, it has often been carried to Buffalo for 2 or 21 cents Hon. Mr. TURRIFF.

a bushel less. Therefore I think I am justified in saying that, in this respect at all events, the Government is partly to blame for the lack of traffic going to Quebec.

The deepening of Quebec port was a point made. It was stated that by this means Quebec would be able to handle the wheat of the West more cheaply. Do you think, honourable gentlemen, that if that were being done, or if it were possible to do that, the farmers' representatives in the other Chamber would all be utterly and absolutely opposed to this expenditure, which will add another \$5,000,000 to the debt of the country, and which they feel will not give the grain-growers of the West the advantage of a single cent in the next ten years? Can you wonder that they are not in favour of this legislation? The reason is that, while it adds to the debt of the country and the taxes that the people will have to pay, it is not going to bring them any return.

The case is largely the same with regard There are at Quebec the finest to cattle. facilities in Canada for cattle shipments. I quite agree with what has been said by my honourable friend from the Gulf, that the facilities at Quebec for handling cattle are equalled nowhere else. Why is it that cattle are not shipped there? In the year 1923, about 5,000 odd head went through the port of Quebec. In the year 1924 there were, I think, 1,505 head. I am pleased to notice that so far this year-and it is yet early in the season-according to my information, about 5,000 head have gone through Quebec. There is no reason why practically the whole cattle trade from the West should not be shipped across the water from Quebec. That port is over a hundred miles nearer the West by the Transcontinental railway than Montreal is by the Canadian National or the C.P.R. So there is no reason on earth why cattle, at all events, should not go through Quebec. There are much better advantages and much better prospects in handling the cattle trade through Quebec than there are in the handling of wheat through that port.

Now, honourable gentlemen, it is not only the \$5,000,000 that we are voting. I remember that about three or four years ago at the most, there was a Bill before the House to grant Quebec, I think, \$5,000,000.

Hon. Mr. DANDURAND: No, \$1,500,000.

Hon. Mr. TURRIFF: Is that all?

Hon. Mr. CHAPAIS: \$500,000.

Hon. Mr. TURRIFF: I had it in my mind that the expenditure, over a term of years,

was to be \$5,000,000. However, I accept the correction.

I hear it stated on all sides that this \$5,-000,000 is to start new work altogether; and, from all I can learn, the Quebec harbour has not yet been taxed to its capacity. If we vote this \$5,000,000, it means the starting of new work. Where is that going to land Canada? I have seen it stated in the press, and have heard that while this \$5,000,000 will start the work, there is no question that before the work is completed the cost will be \$20,000,000 That may or may not be so, but can anyone point to harbour works or other public works in the Dominion of Canada, under any Government, where the amount eventually expended to complete the work was not practically double the estimate of the cost? In starting this work, we are starting a work that may cost us anywhere from \$20,000,000 to \$40.000.000.

I do not want to be small or picayune, honourable gentlemen. Canada is a great country, and I think Quebec harbour is entitled to equipment just as much as Montreal or Vancouver; but I feel that this is not the time for it. This is a time when Canada is fairly staggering under a load of debt and taxation. Is there any prospect of that load being reduced? I quite well remember four years ago, in 1920 and 1921, when my honourable friends on this side of the House promised all sorts of economies. Their resolutions in the House of Commons, their speeches on the hustings-and I heard a good many of them -were all for economy. They stressed the terrible position that we were in owing to the debt that had been run up by their friends opposite. It looked then as if we were going to have an attempt, at all events, at economy. I was not supporting honourable gentlemen on this side of the House, but I felt that if they got into power we would see some economy effected, and that an endeavour would be made to get down to such a basis that we would be able to pay our way, and that even if there were no reductions made, we would be able to say that not a dollar was being added to the debt of Canada.

Hon. Mr. BLACK: May I ask the honourable gentleman a question? He is basing his position purely on the ground of economy. I would like to know how the honourable gentleman justifies his remarks in favour of voting \$5,450,000 to the depositors of the Home Bank.

Hon. Mr. TURRIFF: What has the Home Bank question got to do with the question now before the House? Hon. Mr. BLACK: It is a question of economy, and a question of the expenditure of \$5,000,000.

Hon. Mr. TURRIFF: I can tell my honourable friend very quickly and very emphatically why I did that. I voted yesterday for some payment to the poor depositors who lost their money in the Home Bank because the Government supported by my honourable friend had known for years and years, through the Finance Minister, that the Bank was rotten and insolvent, and because the members of that Government and their colleagues sat in their seats and allowed the people of Canada to put \$10,000,000 more into the Bank. And, as I stated yesterday, when the present Government took office it did exactly the same thing. The result is that a great deal of the money has been lost, and the Governments that have been in power till now are responsible for that loss. Possibly they are not legally responsible; possibly no action could be taken against them; nevertheless, they are responsible. I claim that a vote in favour of that Bill is far more justifiable, even if the whole amount should be paid, than a vote for the \$5,000,000 that is now under consideration.

My honourable friend the Leader of the Government is asking for \$5,000,000 to further equip the harbour of Quebec. I have noted in the press that the Government proposes to spend \$17,000,000. Of course this money will not all be spent at once. \$5,000,000 is to be spent in deepening the Quebec harbour to accommodate the big ships, and it is proposed to spend \$17,000,000 in Montreal so that the big ships will not have to stop at Quebec. Is that common sense?

My honourable friend from Quebec (Hon. Mr. L'Espérance) argued very strongly that the ship of the future would be a big ship. Well, I have noticed during the past year or two that the day of the big ship is over that there will be no more big ships. Two of the big ships that went to Quebec last year are not going there this year. Big ships of 20,000 to 30,000 tons are not a profitable investment, and it is being found that smaller vessels are more profitable because the cost of maintenance when they are not busy is very much less.

There are facilities enough at the port of Quebec for a great trade, and I hope to live to see that trade going through that port. But, in the name of common sense, while Canada is in her present perilous financial condition, I say that by all means we should go easy, and should not undertake this expenditure. Honourable gentlemen on this side of the House, and on the other side too, have very often complained about the West getting low rates on the railways. I happened to be looking up some of the figures of charges for carrying freight, and I found that in many instances wheat was carried on the railroads in the East much cheaper than in the West. I am not complaining of that, but I do not think honourable gentlemen should complain that they are paying higher wheat rates in the East than we are in the West, because in many cases that is not so.

There are many other points that I might take up, honourable gentlemen, but I do not intend to stress this matter any further than to say this. We do not know what Quebec has cost. We know that some \$22,000,000 has been expended, and that there is \$8,000,000 due for simple interest. If the interest were compounded it would be more than double that amount. But we do not know what the Department of Public Works has spent on the harbour of Quebec; we do not know what the Department of Marine and Fisheries has spent. This is information that should be given to this House. In this respect all Governments in the past have been the same. We should be able to get all the information available in connection with important legislation like this. The Bill is brought down in the dying days of the Session, and we have no possible opportunity to get the information necessary to enable us to give a sensible vote on the subject.

Hon. Mr. DAVID: That complaint is not new.

Hon. Mr. TURRIFF: Of course, having no followers in this Chamber, it would be absolutely futile for me to go to Mr. King, the Prime Minister, and say: "Here, if you don't bring down your important Bills to the Senate early enough to give us an opportunity to get the information necessary to enable us to deal with them intelligently, we will just sit here until we do get the information, and even if prorogation is delayed two or three weeks the blame will be yours." Honourable gentlemen, if we all made up our minds to do that, we would have to do it only once. The Government in power during the next Session would not take the chance of being delayed two or three weeks, but would bring down the measures and the necessary information in good time.

Hon. Mr. DAVID: Hear, hear.

Hon. Mr. TURRIFF: If this were the only great extravagance and waste of public Hon. Mr. TURRIFF.

money it would not be so bad; but this is only a piece of the whole. Let me give you two or three other instances which I think go to justify us in rejecting this Bill. Take the Montreal bridge. I understand that some \$10,000,000 will be involved in that-a large sum at least-and, according to my information, the Board of Trade of that city, the metropolis of the Dominion, called a meeting after the announcement that the Government would build this bridge, and its members, the biggest men in the city of Montreal, passed a resolution condemning the proposal, saying that it was not necessary, or at all events that it was premature. Now, if the members of the Board of Trade of Montreal take that position, is the country justified in going on with that work at the present time?

Take the Prince Rupert elevator. Does anybody think that wheat is going out by Prince Rupert. It is proposed to build an elevator there which will cost \$1,000,000, I suppose. To my mind that is a political expenditure.

Hon. JOHN WEBSTER: A million and a half.

Hon. Mr. TURRIFF: That to my mind is an expenditure that is going to add to the debt of Canada, and from which there will be no return.

Hon. Mr. SCHAFFNER: I do not think a bushel of grain was ever shipped from Prince Rupert.

Hon. Mr. TURRIFF: Take the Halifax elevator: does anybody think that is a justi-We have spent some fiable expenditure? \$16,000,000 or \$17,000,000 on the Halifax harbour already, and now it is proposed to build an elevator. Whether it is to hold grain or to implement past promises I do not know. If grain is going to be shipped to the lower Provinces, why should it not be shipped to St. John? Then they would want the railway, which, Lord knows, is making a deficit quick enough, to carry that grain on to Halifax. I did not think to look up the mileage, but Halifax must be 200 or 300 miles farther than St. John. Why not do away with that extravagance?-because it is an extravagance. We are not in a position to build these public works when there is no possibility of getting a dollar back to Canada on the expenditure made.

Take the Welland Canal. We have already spent over \$50,000,000 on it. I think the Welland Canal will be necessary in the future when the St. Lawrence route is deepened; but what earthly good is it going to be to Canada until we go on with the deepening of the St. Lawrence from Lake Ontario to Montreal? I think the deepening project is a good one, but we have already spent \$50,-000.000, and there is another \$50,000.000 to be spent before it is of any use. That goes to prove what I said a while ago, that every public work costs practically twice as much as the estimate. The estimate was \$50,000,-000, and it is going to cost over \$100,000,000. In the meantime, on the \$50,000,000 there is \$2,000,000 or \$3,000,000 of interest every year being added to the debt of Canada, and every year we have to pay \$2,500,000 or \$3,000,000 in extra fixed charges. Where are we going to land if this expenditure keeps on?

Hon. Mr. WATSON: The port of Quebec.

Hon. Mr. TURRIFF: My genial friend from Manitoba (Hon. Mr. Watson) says we are going to land in the port of Quebec. I will gladly vote for that port when I think these improvements are needed and justified, and when they will give some return to Canada in one way or another, but I do not think the time has yet come.

I do not like to say what I am now about to say, but I think it is the truth. I believe it, and I have made up my mind to say it. Hon. Sir JAMES LOUGHEED: Shall we close the doors?

Hon. Mr. TURRIFF: No; I am always prepared to give my views in the open. T want to say that, in my judgment, if the policy that is at present being carried out by the Government, and being foreshadowed, is not stopped in the near future, only one of three things can be the result. The first is bankruptcy and repudiation; that is not a nice thing to say. The second is the driving out of our population to the United States, where taxes are being cut in two. That would be just about as bad as the first, by preventing us, through the lessening of our population, from paying the enormous taxes that are being increased from year to year. But, further, and in my judgment worst of all-and I hate to mention the subject in this House, but it is being discussed all over Canada, particularly in the lower provinces-if some change is not made, the result will eventually mean annexation.

I want the Government to bear in mind that these big expenditures are not going to help them with the electorate. My experience while a member of the House of Commons was that whenever I had any public works—and in all my experience I only had two country public buildings—they cost the Government votes, and also cost me votes. I felt that I could not allow this opportunity to pass without making my most earnest protest, not from any ill-feeling to the port of Quebec, for I would like to be able to vote for this Bill; but I feel that unless something is done to stop these tremendous additions to our debt the consequences will be very serious. I notice that the Supplementary Estimates call for another \$9,000,000. If something is not done I can see nothing ahead but that we will land in one of the positions I have outlined.

My honourable friend from Montarville (Hon. Mr. Beaubien) the other day gave a very dismal picture of the farmers, speaking particularly of his own province of Quebec. but his remarks applied to farmers all over the country. He said that something more ought to be done to bring in people, and he pointed to the fact that the Government and the two chief railways were spending \$6.000 .-000 on immigration. In my opinion the plan he suggested would not amount to very much. for I believe that to-day we are not holding the immigrants that come in, and that their number is not as great as that of the migrants from Canada to-day; so that the spending of that \$6,000,000 is just another of the extravagances. Why, I saw in a report to the other House that for travelling expenses of the officials of one Department we paid nearly a million dollars last year. I call that to the attention of my honourable friend.

Hon. Mr. McMEANS: I think the honourable gentleman should give us the name of the Department.

Hon. Mr. TURRIFF: I am not afraid to give the name: it is the Department of Agriculture. If such things continue there is only one landing place that I can see, either bankruptcy, or people leaving this country, or eventually bring about annexation. I therefore beg to move:

That Bill 160 be not now read the second time, but be referred to the Standing Committee on Railways, Telegraphs and Harbours for further information and consideration.

The Hon. the SPEAKER: I have not had time to look into this motion, but I do not think it is in order at the present moment. Such a motion would come in after the second reading of the Bill.

Hon. Mr. TURRIFF: Then I will move it when the second reading comes.

Hon. L. C. WEBSTER: May I add a few words to those which have been so ably addressed to the House this afternoon by the honourable member from the Gulf (Hon. Mr. L'Espérance) in support of this Bill, which is to provide new terminals along the river front of the St. Lawrence at the city of Quebec.

The application for a vote of \$5,000,000 is the result of very careful study of the whole St. Lawrence river route, and the necessity is very ably put before us in the memorandum which has already been read by the honourable leader of the Government and also by the honourable member from the Gulf. I merely wish to submit that this memorandum shows the necessity for these terminals in the city of Quebec.

This memorial of the Shipping Federation of Canada is the product of an organization representing one million gross tons of shipping, with a capital of several millions of dollars invested in steamships, which ply at present to Canada. The memorandum states very emphatically that the port of Quebec is entirely inadequate for the larger class of vessels. Again, it states that the St. Lawrence route is the principal artery of the trade and commerce of the Dominion, and any trade diverted to ports to the south of us, through failure to provide adequate accommodation, would be a national loss. Further, that the general plan presented to them by the Quebec Harbour Commissioners, providing for present and future requirements of that port, has their unanimous endorsement.

I understand that those statements have been confirmed by the officials of the Canadian Pacific Railway Steamships, Limited, and by the Canadian National Railways. Further approval of this application is given by the Department of Marine and Fisheries, whose officials, trusted employees of the Dominion of Canada, have made a very careful study of this question in all its bearings, and have approved of this application.

The port of Quebec may be properly termed a national as well as a natural port. Thousands of immigrants have passed through its gates, and I may say to the honourable member who preceded me (Hon. Mr. Turriff) that I trust thousands more will come through the gateways of the St. Lawrence to settle in our western provinces.

It is true that Quebec has not shipped as large a quantity of grain as some of us had hoped, but I do not think that the port of Quebec should be blamed for this smaller quantity. There has been and still is considerable controversy over what may be considered a fair freight rate from the West to Quebec, to which the rail-haul is several hundred miles shorter than to any other port. When this rate situation is remedied there is no reason why more grain should not be exported, provided facilities are ready to meet the requirements for the exporting of grain.

Hon. Mr. WEBSTER.

In 1904, as the member from Assiniboia (Hon. Mr. Turriff) has said, it was stated that grain would be carried to Quebec at a very low rate; but I would ask honourable members if that rate was ever granted to the exporters of grain for more than a very short period. I am told that a promise was given that grain might be carried for 6 or 8 cents a bushel from the western provinces to the port of Quebec.

Hon. Mr. SCHAFFNER: My honourable friend does not mean that; he means from Armstrong or Cochrane, not from the West.

Hon. L. C. WEBSTER: No, not from where the grain grows, but from the junction point. Some 17 years later, in 1921, this matter came up before the Board of Trade of the city of Quebec, when representatives the Railway Board met representatives of of that city, and it was cleary pointed out that that promise had not been fulfilled. The answer from the Railway Board to the citizens of Quebec was: "You have not the proper facilities in the city of Quebec to take care of the enormous quantity of grain that you would receive if we were to put this low freight rate into force." But when Harbour Commissioners ask for a grant of \$5,000,000 in order that the harbour may be properly equipped to take care of the exporting of grain, they are immediately met with the reply that has been given here this afternoon: "Why, there is no grain going through the port of Quebec; therefore why do you require to spend \$5.000.000?" So the Harbour Commissioners of Quebec are placed in a vicious circle. On one hand, they are told they have not the grain, and on the other they are told they have not the port facilities to handle the grain.

The lowering of the depth of water in the channel between Quebec and Montreal is forcing the larger vessels to complete their loadings outward at Quebec, and when more modern and larger vessels are employed in the St. Lawrence route Quebec must be the ocean terminus of all those vessels. If you will pardon me I will read an editorial in a Montreal paper of Monday, June 1, which says:

Is The Port Of Montreal Going Dry?

Has the Federal Government, by voting \$5,000,000 for harbor improvements at Quebec, shown a commendable foresight by anticipating the time when the Chicago diversion will make the ship channel to Montreal impossible for large-ships? It is an alarming fact that the water in the Port of Montreal to-day is between four and five feet lower than it was at this time last year. The depth to-day is 31 ft. 10 in. as compared with 36 ft. 1 in. a year ago.

The Chicago Sanitary District is to-day diverting more water than ever from the Great Lakes, notwithstanding the judgment by a Supreme Court in denunciation of this action. There is nothing to indicate that the Chicago authorities intend to take any steps whatever to reduce the diversion to the amount allowed by the treaty. Meanwhile the water in the St. Lawrence is sinking lower and lower every year and it is a matter for anxiety that to-day we have in the ship channel to Montreal, even at this early period of the year, only a small margin over the draft of the larger ships.

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Diversion of water by Chicago, against which a solemn judgment has been handed down by the Supreme Court of the United States, is beneficial not only to Chicago itself but in increasing the navigable capacity of the Mississippi and to that extent decreasing the rivairy of the St. Lawrence route from the Great Lakes to the sea, because the Mississippi, by the exploitation of water through the Chicago drainage canal, provides a navigable route from the Great Lakes to the Guif of Mexico.

We should hate to think that the Government is throwing up its hands in the fight against Chicago's action but after all it may be the part of wisdom to see to it that facilities are in existence in Quebec in readiness for the time when the water level becomes so low that ocean liners cannot come to Montreal.

Only to-day honourable gentlemen may have noticed in the Ottawa Citizen an item headed, "Water level of the St. Lawrence is unusually low." This item points out that the St. Lawrence river is lower this year than it has been for some years past, and that the loss created in decreased carriage will total over \$12,000,000 for this year. It adds that the vessel owners on the lakes attribute the lessening of the water levels to the Chicago steal, and so on.

Now, honourable gentlemen, there is no reason why, with proper facilities, Quebec should not take care of the cattle export trade of this country, to the great advantage of our farmers. It can provide pasture accommodation where the cattle can be taken from the cars a couple of days before loading them on the steamers, watered and fed before shipping, which every farmer knows is of great value. Every farmer knows the value of such treatment of cattle prior to shipment. Steamship companies will tell you that the greatest mortality among cattle occurs between Montreal and Quebec, especially during the hot days of summer. The cattle have been loaded at Montreal direct from cars into steamers, and it is well known that the greatest loss occurs on that short part of the route, when they are being taken down the St. Lawrence between Montreal and Quebec.

There is another question, honourable gentlemen, which is occupying the minds of all Canadians to-day, and that is the question of immigration. What class of immigrant does Canada need most at the present time? It is the farming class, which will come from Great Britain or other countries in Europe. What can this country do to assist in bringing here thousands of immigrants from United States, Great Britain or other countries? We must offer them as good prospects as they can obtain anywhere else.

We have the best cattle in the world; we have the best wheat in the world; and we have, via Quebec, the shortest route for the carriage of our products to the markets of the world.

Hon. Mr. McMEANS: You are forgetting the Hudson's Bay Railway.

Hon. Mr. WEBSTER: It would require ice boats to carry the traffic that way. With proper steamship accommodation and facilities at our own St. Lawrence ports we should be able to give our farmers the full benefit of reasonable and cheap transportation and place them in the most advantageous position to compete with any other country.

The resources and natural products of Canada are so extensive and so valuable that in connection with the transportation and export of these products we are forced to consider carefully our port facilities, to assist in every way their development, and to provide adequate equipment, so that, with the adjustment of freight rates, cheaper and more effective ways may be arranged for the shipment of the Canadian grain crop, Canadian cattle and Canadian goods via Canadian ports, especially the port of Quebec.

I have much pleasure in supporting the Bill that is before the House.

Hon. JULES TESSIER: Honourable gentlemen, I do not like to give a silent vote on this question. My words, I know, will not have the same authority as those of the honourable member who has just spoken. He is one of the principal merchants of the Dominion and is much better acquainted with these questions than I am.

I have listened attentively to the speech made by the honourable member from Assiniboia (Hon. Mr. Turriff), and was pleased to hear him give such praise to the port of Quebec. In fact he pleaded the case of that port with a great deal of eloquence. Almost all his arguments were in favour of it. He said that Quebec was one of the safest harbours in the Dominion; that it was nearer to Europe than New York or any other port in Canada; that it was much nearer to the West. via the Transcontinental, and trade could come to Quebec much more easily than to Montreal. He even added that he was a Quebec boy. So he showed how much sympathy he had for the port of Quebec. He gave all sorts of arguments in favour of that port, and only one argument against it, namely, the need

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for economy. However, as an honourable member on the other side pointed out, his tendency to economy was not so strong yesterday, when he spoke in favour of the grant of \$5,000,000 to the Home Bank depositors. In any case, the honourable member must recognize that there is a difference between saving and false economy. It is false economy, when you have a property, not to spend money on it in order to make it valuable. My honourable friend, who had property in the Northwest when he was living there, and who still has property there, knows that in order to obtain revenue from your property you must spend money on it. The port of Quebec is a valuable asset of the Dominion. It is a national asset. But how can you expect trade to come to that port if it is not properly equipped to accommodate it? Quebec must be provided with adequate facilities. The money that we are asked to lend to that port will be spent honestly. It will give value to the property and revenue to Canada, for it is the property of Canada.

Further, there is no doubt that, since the Transcontinental Railway was built to bring trade to Quebec, as stated by my honourable friend from Assiniboia (Hon. Mr. Turriff), when the Government sees to it that proper and reasonable rates are fixed, so that grain and cattle may be brought to Quebec by the Transcontinental, we shall have plenty of trade in Quebec. And that must be done. There must come a day when the discrimination which, as everybody knows, is now exercised against the port of Quebec, will disappear. Quebec must have justice. There must be a proper tariff; not an exceptional tariff, but one on the same scale as the rates to other harbours and big cities in the Dominion.

An honourable member who sits on the other side of the House read yesterday a communication from a person whom he did not name, but whom he represented to be a merchant of Quebec. I must say that that was only the opinion of an individual, and it can easily be set aside. I hold in my hand a document which expresses the opinion of practically all the merchants of Quebec, for it comes from the Board of Trade of that city. It says:

Whereas the trade on the St. Lawrence route has increased, since the War, in large proportions, both in the volume of imported and exported goods;

Whereas the number of passengers travelling abroad from Canada and the United States of America on vessels running on the St. Lawrence River has also increased to a considerable extent;

Hon. Mr. TESSIER.

Whereas the ocean tonnage as a consequence, has increased during the last five years, in order to meet the requirements of this traffic;

Whreas this increase in trade via the St. Lawrence route calls for vessels of larger size in length and draught;

Whereas the Port of Quebec is the farthest Inland port on the St. Lawrence River having a sufficient natural depth of water to accomodate vessels of a large toonage;

Whereas the facilities presently available at Quebec are inadequate to meet the requirements of large sized vessels:

Whereas it is in the National interests that the diversion of the Canadian-borne traffic to the United States seaports be averted, and that the proper facilities be provided on the St. Lawrence River for these large vessels, so as to meet the policy of "Canadian Trade via Canadian Ports."

Whereas the Quebec Harbour Commissioners have submitted plans for future Harbour developments providing for new berthing facilities for vessels of a large draught;

Whereas these plans have received the most careful consideration of this Board, and pppear to be most suitable, both as to the sites selected and freight handling facilities to be erected; Whereas it is urgent, in order to meet the present

Whereas it is urgent, in order to meet the present and coming requirements of the Shipping trade that these new improvements be built at Quebec without delay.

Resolved: That the Quebec Board of Trade, an incorporated body representing the different commercial, manufacturing and shipping interests of the City of Quebec, and district, approve of the Quebec Harbour Commissioners' plans for new Harbour improvements which are necessary and urgent, and give their strongest support to their application for a vote from the Parliament of Canada to provide in the Port of Quebec these new facilities for vessels of a large draught.

That is the resolution of the Board of Trade, which is supposed to represent the entire trade of the district of Quebec. Against that declaration the opinion of a single merchant cannot stand.

There has been some opposition to the proposed advance of \$5,000,000 by the Government to the Quebec Harbour Commission for the purpose of providing additional berths and grain storage for the larger class of ocean steamers, which draw too much water to allow them to go on to Montreal. The Montreal Gazette, after quoting the recommendations of the Montreal Shipping Federation in favour of the project, goes on to say:

That is the case of Quebec. Its harbor needs development to accommodate larger ships until the channel to Montreal is deepened, and so the money is to be spent. There is, however, another view to this expenditure of public money. Sir Wilfrid Laurier used to beguile and bamboozle the electors of this province with the promise that the Transcontinental Railway would produce a volume of traffic large enough to engage all the facilities of the ports of Montreal, Quebec, Three Rivers, Sorel and intermediate ports. That dream has not been, nor ever will be realized. Montreal and Quebec will remain the principal ports of the St. Into both ports public money may be Lawrence. poured with advantage, but there is this difference to be observed between the two: One pays its way; the other is a defaulter. Montreal pays interest on its debt, in 1924 to the amount of \$1,210,431, and in the succeeding fiscal year, a still larger sum; while Quebec

pays no interest on public money spent upon the port. Wherein the advantage of building up one port against the other? Will Quebec be content to accommodate the larger ships and be the port of landing for immigrants? If so, then there is no reasonable objection to the use of public money in building up Quebec, even though the expenditure yields no direct return. There is so much traffic entering and going out of Canada, all of which will seek the cheapest port. No development of Quebec having for its purpose the acquisition of this traffic from Montreal at public expenditure upon the port of Quebec in accommodation of the larger ships may be allowed, the salient fact remains that the port of Montreal pays its way, handles the vast proportion of traffic, and under no circumstances is to be secondary by expenditure of public money upon an unprofitable port.

It is not wise, as a rule, to get into controversy with the Gazette. It is a paper which has gained the absolute confidence of the public, by the soundness of its opinions, and by its fair play. Nevertheless, I would ask permission to say a few words on behalf of the port of Quebec in this connection.

In speaking of Montreal and Quebec, the Gazette says: "One pays its way, the other is a defaulter." That is hardly a fair statement. It is true that Montreal pays a low rate of interest upon its debt to the Government, and that Quebec only pays interest upon its bonds held by the public, and not on those held by the Government. But a harbour trust is not a joint stock company, nor a bank, bound to earn enough to pay a certain dividend. Is it not rather, the medium for the proper direction of a public work, created for the good of the trade of the country? If the Quebec Harbour Commission had always been allowed remuneration by the Government for the splendid facilities of docks, tracks and buildings constantly used for the expeditious handling of immigrants, they would have been able to pay their interest to the Government, or a great part of it, and their revenue would have shown a greater surplus than the \$171,549, which their last year's working accounts disclose. I don't think that any one contends that Montreal should pay interest upon the many millions expended in deepening the channel between Quebec and Montreal, nor upon the \$16,000,000 to be expended during the next ten years in increasing its depth from 27 feet to 35 feet. And yet it may be contended that the expenditures are for the benefit of Montreal alone, a contention however which cannot fairly be maintained, because the whole of Canada profits.

The Gazette is hardly fair to Sir Wilfrid Laurier. I don't think he ever intended to beguile the electors with the promise that the Transcontinental Railway would produce a volume of traffic large enough to engage all S-363

the facilities of the ports of Montreal, Quebec, Three Rivers and Sorel, I feel sure that he was sincere in believing, as I do-though my opinion may be of little value-and as may others still do, that that railway would act as a regulator of lake freight rates, and would also bring to Canadian seaports a good share of our Western grain trade which now goes to New York and other United States seaports for export. It was built for that purpose. It shortens the distance from Winnipeg to Quebec and Halifax by more than 200 miles. and, with the Quebec Bridge, it has cost Canada \$180,000,000. It was tried for one year, 1916, and the result was a brisk season's business for Quebec, and a good share for Montreal. But, as the freight rate of 6 cents per bushel was immediately raised, and is now twenty and three-quarter cents, which is prohibitory, all the business is driven into the boats at Fort William and finds its way by water, the bulk of it, to Buffalo and New York. The boat-owners are clever. Competition being removed, they charge about 11 cents per bushel to carry wheat by water from Fort William to Montreal, but they take it to Buffalo for 2 cents. The result is that the shipper can afford to pay the $9\frac{1}{2}$ cents charged by the railways from Buffalo to New York, and there get the advantage of an ocean rate which is generally 2 to 3 cents cheaper than Montreal and also cheaper than marine insurance.

During the last crop year, ending 31st August, 1924, the export of Canadian wheat, by the Atlantic, was, in round figures, from New York and other United States seaports 141 million bushels, from Montreal 60 millions, from Quebec 3 millions, from St. John 9 millions, and from Halifax nothing.

So that we have lost—of our own grain—a trade as great as the whole grain export of Montreal, and in doing so have paid American railway and transportation lines 15 or 20 million dollars of our own money, for carrying that trade away from us.

If we persist in this policy in the future, if we go on spending Canadian money in building elevators in Buffalo, if we continue furnishing the wheat to allow the new flour mills in Buffalo to compete with our own flour mills in the export business which they have captured in foreign countries, the magnitude of the diversion which will result in the future may be predicted from the fact that the grain shipping business of Fort William has increased eight times in the last twenty years.

Do we not require a freight regulator, such as the Transcontinental, to help us to keep a little share of what belongs to us? Perhaps Sir Wilfrid Laurier was right in giving us a northern line, which has already justified its construction by creating a large traffic and paying its way.

The Canadian Pacific railway has been the salvation of this country. It has made Canada a nation. It has been the greatest factor in the marvellous increase in our imports and exports, bank deposits and revenue. It has been loyal to the Empire and to Canada, even to the extent of sending its winter traffic 200 miles extra to St. John. Almost every family has some of its savings invested in Canadian Pacific railway stock. But the Canadian Pacific railway is also looking to the North. One of its leading officials is reported by the press to have told his hearers a short time ago, at a public meeting in the Abitibi district, that the future of Canada is in the North. He was amply justified in making that terse statement. The building of the Ontario Government railway into the North has developed the silver of Cobalt and the gold of Porcupine, whose riches are incalculable. It has caused the discovery in our own Province of the wonderful copper and gold deposits of Rouyn. The same mineral belt is said to extend northeasterly to Chibougamau, where valuable deposits of copper, asbestos and gold have been found. A few miles farther on, at Lake Mistassini, a vast body of water almost as long as Lake Ontario, there is iron and limestone in conjunction. New railways into the North have developed the water-powers of the Saguenay, the St. Maurice and Abitibi, and have given Canada the control of the paper trade of America. At the same time, these roads have made rapid and wonderful colonization, so that the population of the Saguenay country has been increased from 10,000 to 100,000, and in Abitibi, the silent forest of ten years ago now boasts of 20,000 hardy settlers. Between Lake St. John and Chicoutimi, a million horse-power, the greatest power development of the continent, is being carried out by the Duke-Price Company, not with Government money, as in Ontario, but with private capital. Truly the future of the country is already in the North.

Do not all these things help to prove that we should not be afraid to give facilities for the increasing trade of this northern country, which will at the same time serve for handling the western grain, and that, notwithstanding the prevailing financial depression, the advance to the Quebec Harbour Commission will be a wise one if it provides facilities for steamers as large as any trading to New York?

Hon. Mr. TESSIER.

There is no question of competition between Quebec and Montreal in this matter. It is a question of trying to get back as much as we can of our grain trade that has been diverted to United States seaports, and of creating facilities at all our seaports that will enable us to handle the rapid increase in quantity that past experience foretells for the future.

The report of the special committee of the Senate under the chairmanship of the honourable member from the Gulf (Hon. Mr. L'Espérance), which studied this question three years ago, recommended three things to the Government:

(1) To make freight rates over the Government railways to all our seaports—Montreal, Quebec, Halifax, St. John, Vancouver and Prince Rupert—so cheap that it will be profitable for the farmer to send his wheat to Canadian instead of United States seaports.

(2) To provide adequate grain storage and docks at all those ports so that they may be able to handle the trade.

(3) To arrange that the rates of marine insurance from Canadian seaports shall be the same as from New York.

The Senate unanimously adopted that report of the Committee which studied these questions very assiduously. So the present proposal is nothing but a consequence of the work which was done. We are now asking that the House adhere to the same conclusions, and I hope that this Bill will pass.

Hon. T. CHAPAIS: Honourable gentlemen, I do not intend to make a speech on this question. All the explanations and arguments have been given to this House in a most illuminating manner by the honourable Senator for the Gulf Division (Hon. Mr. L'Espérance), who is surely an authority on this matter, having been for many years the President of the Quebec Harbour Commission. I wish only to mention some authorities that have been already named in this House, and to set forth, from these authorities, a chain of argument which seems to be unanswerable.

I will mention first the authority of Mr. Beatty, the President of the Canadian Pacific Railway Company of Canada. In a letter written to the Right Hon. Mr. Mackenzie King, the Prime Minister of Canada, in connection with this question, he made the following statement:

I have been asked to indicate the attitude of the Canadian Pacific Railway Company as to the necessity of these expenditures at a time when the Government is deeply concerned by the necessity for economy, and whether or not, if the project were favourably considered, there would be any objection to it from the standpoint of this company.

I have indicated to the members of the Quebec Harbour Board that if the circumstances are as they have outlined them, greater facilities at Quebec will have to be provided in the not too distant future-

That was written a year ago.

-and that I felt that they were performing a real public duty by bringing the facts to the attention of the Federal authorities.

That is the first part of the statement made by the President of the Canadian Pacific Railway Company. Of course, in making that statement he did not forget that he was the head of the greatest railway corporation in the world, and immediately he said:

The new docks to be provided will be adjacent to the tracks of the Canadian National Railways, and those tracks in the immediate vicinity of the pier it is the intention of the harbour commissioners to take over and operate as part of the dock system. The Canadian Pacific could only obtain access to the new piers by arrangements for joint operation of the line of the National Railways from Bélair, and if an arrangement on favourable terms could be made this company would not offer any objection to the project.

That was keeping in view the legitimate interest of the Canadian Pacific Railway in connection with the proposed improvements in the Quebec Harbour. Then he added these words which have a great bearing on the question under discussion:

As to the need of additional port facilities at Quebec, there can be no doubt if the lowering of the water levels is to continue—

And it is going on.

-and increased use of that port is to be made by vessels of large tonnage.

That is the first link in the chain of argument I want to put before the House.

Then comes the Chairman of the Canadian National Railway, Sir Henry Thornton. He gives his opinion. He savs:

The scheme proposed represents the only really satisfactory plan for future expansion, and it has our hearty endorsement.

Then he thinks of the Canadian Pacific Railway Company, and answers to the wish expressed formally by the President of the Canadian Pacific Railway in the following lines:

Should the docks you contemplate be built we will be glad to consider any sort of a reasonable arrangement for the purpose of giving the Canadian Pacific Railway satisfactory entrance to the site you have selected.

Here are the two presidents agreed. One says. "We must have access to the new facilities;" and the other says, "Of course, you shall have that." Then Sir Henry Thornton adds:

I am not in a position to say exactly how urgent this scheme may be, as that depends upon information which will have to come from the shipping interests.

I want to be fair to Sir Henry Thornton. He is noncommittal as far as the urgency and the importance is concerned. As he says: That depends upon information that will have to come from the shipping interests.

Now, that is the second link in the chain of argument. Well, after the declarations of the President of the Canadian Pacific Railway and the President of the Canadian National Railway, here comes the statement of the Shipping Federation of Canada. It has been quoted by honourable gentlemen who have spoken before me, but there are one or two points that I must refer to. They say:

The accommodation of the port of Quebec for the larger class of vessels is entirely inadequate.

They know something about that: they are the best authority in Canada on that point. They continue:

The draft of water available will not permit using ports above Quebec. The berths available for ocean going vessels at the Port of Quebec are now all allotted for the coming season of navigation, and accommodation is unavailable for any other vessels which may desire to trade through Quebec.

And further:

At the present time a large passenger liner company is seeking accommodation for its vessels at the Port of Quebec and none is available, and fully two-thirds of passengers and cargo arriving at the Port of Quebec is destined to other Provinces in the Dominion.

And here is the end of it:

Your memorialists are of the opinion that an appropriation should be granted to the Quebec Harbour Commissioners to enable them to commence this national work—

It is not a local work; it is a national work.

--as it may be pointed out that the matter is urgent when it is considered that it will take five years before any of the additional berths can be provided for the use of ocean traffic. Furthermore, your memorialists have the greatest confidence in the present Board of Harbour Commissioners and feel that any money voted by the Government will be judiciously spent in providing accommodation for the present and future needs of the Port of Quebec.

There you have the three of them: the Chairman of the Canadian Pacific Railway, stating that it is needed, that it is good, and expressing the wish, of course, that if these facilities are to be made, his railway should have access to them. The second link in my chain of argument, is the letter of Sir Henry Thornton stating that of course it should be done, but that as to the urgency of the matter we must rely on the authority of the Shipping Federation of Canada. And, third, comes in the statement of the Shipping Federation, that it is needed, that it is a national undertaking and should be done without delay because four or five years will be required to complete the work.

I do not want to detain the House at any length on this question; I want only to sum up very briefly the main points of the case. Quebec is one of the national ports of Canada. Geographically and physically, it is one of the finest inland harbours of the world. At the present moment its facilities are inadequate, and the limit of its needed accommodation, even for the actual trade and transportation activities, has been reached. In support of this statement I am not going to quote again the declaration of the Shipping Federation of Canada.

If we take into consideration the forthcoming development which is undeniably going to take place in the trade and transportation business, the accommodation of the port of Quebec will be ever more deplorably deficient. Therefore the proposed new facilities are necessary, and they are urgent, for the very good reason that they cannot be completed in less than four or five years. Those facilities not only will provide for the expansion of our trade and transportation through Canadian channels, but they will be a powerful means of making the port of Quebec a paying proposition, and of enabling the Quebec Harbour Commission in the near future to pay the interest on the loans, and provide for a sinking fund which will wipe away, within perhaps less than twenty years, the indebtedness to the Government of Canada.

For all these reasons, I think this Bill is fully justified, and even if I were not a citizen of Quebec, as I am, I would surely vote for the second reading of the Bill.

Hon. G. D. ROBERTSON: Honourable gentlemen, just a word in connection with this subject. Seldom has a measure of such importance and involving so much prospective expense come to this Chamber with so little information accompanying it.

Before entering into a discussion of the Blil, I would like to refer briefly to one remark of the honourable gentleman from Assiniboia (Hon. Mr. Turriff) which I think is pertinent and proper at this time. On March 11th last the Senate met after having been adjourned for five weeks and found an empty Order Paper. A vigorous protest was made, which was joined in by the Leader of the Government, who agreed that we were justified in urging upon the Government-and he promised to do so upon our behalf-the necessity of sending down important legislation at as early a date as possible. Still, yesterday and to-day we have been discussing Bills that in my humble opinion might have been submitted to us at a reasonably early date, so that they could have been given full consideration and careful investigation. I am sorry that we have to deal with such im-Hon. Mr. CHAPAIS.

portant matters in the dying days of the Session.

Now, just a word in reference to the St. Lawrence water levels. Those of us who were born and reared on farms know that if you have some dead water that needs to be drained off, you dig a ditch. and, I do not care whether it is plough furrow or a fifteen-foot deepening of the St. Lawrence, the water is drawn off more quickly by deepening the ditch; and, entirely regardless of the effect of the Chicago drainage canal, a ten-foot deepening of the St. Lawrence channel east of Montreal is going to lower the water in the St. Lawrence Therefore the time undoubtedly has river come when the harbour of Quebec will be utilized for ocean-going vessels that will not be able to reach the port of Montreal, and I am in entire sympathy with providing the port of Quebec with facilities adequate to its requirements as and when those requirements appear.

We have a proposal before us, however, that is not confined to improving the present Quebec harbour facilities, but is the nucleus of an entirely new program of a new port in a new location, as I understand it. The port of Quebec, as at present situated, has been built up very substantially at the public expense, without any return on the money invested. It is located in what is known as the St. Charles river basin. That location was carefully considered and finally adopted after most careful engineering investigation had been made, and that location is, as honourable gentlemen know, capable of expansion to probably twice its present capacity. This proposal, as I understand it, is for a new harbour construction at a new location above the Citadel of Quebec, on the main deep waterway of the St. Lawrence river, and the prospective cost of the completed project is at least \$20.000.000. I question whether this House should give approval to the launching of an undertaking of that sort without some reasonable information being placed before us as to what the plans are, who is going to execute them, whether there is to be any supervision or control on the part of the Quebec Harbour Commission over the expenditure of this large amount of money, upon which there is no immediate prospect of a return to the country, and whether or not it is really necessary that the work should be commenced immediately. I feel very strongly that the House ought to have accurate and detailed information concerning the general project-what is contemplated, what is the necessity for it, and what is the present traffic through the present port.

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I therefore feel sympathetic to the motion of my honourable friend from Assiniboia, but I would further suggest that we agree to the same action that we adopted yesterday, namely, that, without passing upon the principle of the Bill, we should let it go to a Committee where we could have the departmental officials who have a knowledge of this question, and possibly a representative of the Quebec Harbour Commission. Then we could get all the information that is available, and could consider it before plunging into a project that means an expenditure of \$20,000,000 on an entirely new development, and the apparent abandonment of the present harbour facilities so far as any extension is concerned.

There are many things that I think we should know. I have heard this afternoon that there appears to be business passing through the port of Quebec from which the Harbour Commissioners are receiving no revenue. If other ports, such as the port of Montreal, are receiving a revenue for the handling of that same kind of business, we cannot properly criticize the port of Quebec for not paying its way. I think we should have information on that. I think also that we should have information on the volume of traffic of various kinds passing through the pont, the number of vessels clearing to ocean ports, and also some knowledge of the plan of the general scheme that it is proposed to authorize the Harbour Board to construct.

Those of us who have visited the ancient and beautiful city of Quebec must know that the space near the location where this work is proposed to be done is very limited for putting up elevators, sheds, etc. Indeed, there is a very shallow strip of land between the deep water and the cliff, and I think reasonably accurate knowledge should be had by the House as to whether or not there is any possibility of there being room to handle the traffic that a \$20,000,000 port must necessarily have in order to hope to pay its way.

I would therefore associate myself with the motion of my honourable friend from Assiniboia (Hon. Mr. Turriff); adding that suggestion, that instead of holding up the second reading we could do what we did yesterday—not pass upon the principle of the Bill until we know something more about the details, but let it go to the Committee on Railways, Telegraphs and Harbours, get that information, and deal intelligently with the Bill in a couple of days.

Hon. JOHN McCORMICK: Honourable gentlemen, notwithstanding the fact that taxation will be put on the country by reason of the expenditure involved in this Bill, I feel that the matter of transportation in this country is so important that the sum of \$5,000,000, to be spread over five or six years, for the improvement of a national port, should be carefully considered. There is no reasonable doubt that the rail route from Winnipeg to Quebec is the cheapest for carrying grain or any other freight.

Considerable complaint has been made in the Maritime Provinces against the use of Portland and New London, in connection with the National Railway system, because they are foreign ports. A good many people down there think the grain should be carried to Halifax and St. John; but under present conditions, until the Canadian National is earning a surplus, it is perhaps premature to ask that those ports be utilized. But I am surprised to hear opposition to the port of Quebec expressed by members like the honourable gentleman from Assiniboia (Hon. Mr. Turriff), for it is a matter of supreme importance to the people of the prairies to put their produce in the markets of the world at the cheapest rate.

Looking at the map, we find that from Winnipeg to Quebec is a distance of 1349 miles, as against 1807 miles to Portland, and there is no reason why the Government railways should carry freight from the West to either of those foreign ports, at least in the open season of navigation. No part of the country would derive more benefit from the traffic to Quebec than the interior parts of our prairie country. I feel sympathetic with this measure, not only because of the advantages of the port of Quebec, but because I believe that the problem of transportation is of supreme importance to this country, and that any expenditure of money within the power of this country to furnish could find no better object or purpose than a route of this kind. The distance from Winnipeg to Quebec is 458 miles shorter than from Winnipeg to Portland; not only that, but the Government road is the best carrying road, because it has the lowest grade of any railway running from Winnipeg to that eastern section.

There is a hope in the Maritime Provinces that, at least during the period of the year when the St. Lawrence is closed, with the advantage that we have of shortening the distance to St. John or Halifax via Quebec, the management of the Government system may discontinue using the ports of New London and Portland. That plan seems reasonable, because the National Railways offer the most advantageous method of taking freight to the Atlantic ocean from the West on account of having the lowest grade, so that the power of a locomotive of a certain size is greater as compared with the Canadian Pacific Railways or Grand Trunk systems.

I have therefore much pleasure in supporting this Bill.

Hon. O. TURGEON: Honourable gentlemen, this Bill is in line with what I have been advocating all my life, and honourable gentlemen who were with me in the other House in past years will find that I have nothing new to say, but will simply repeat what I have been saying for years past, as to the necessity of utilizing our national ports on the Atlantic and the Pacific, and on the St. Lawrence as well. Anything that can be done in that direction is a national benefit.

I believe it is time that the port of Quebec should be recognized for all the advantages it enjoys by nature, especially in its depth of water, which is not likely to be lowered by any set of circumstances; and I believe the time has come when there is a necessity for providing accommodation for large draught vessels and modern facilities such as harbours require to-day. The harbour of Quebec should be perfected so that it can accommodate all the traffic that will come to it, and cope with the necessities of increased trade, because we know that vessels of large draught are bound hereafter to be the carriers of traffic over the orean. As our trade increases our national ports will require more facilities, and we will need a greater number of them. I remember that it was said by the late president of the Grand Trunk Railway, Mr. Hays, when speaking of the construction of the Transcontinental line, that Canada would need not only Quebec, St. John and Halifax, but a dozen more harbours along the Atlantic and Pacific coasts.

The question of transportation is the life of Canada. There is perhaps no country in the world except the United States where transportation is so fundamental to the existence of the nation, on account of our vast resources of all kinds scattered throughout 4,000 miles of territory, from one coast to the other. We may say that those resources are unexhaustible if we take the proper means to develop them and transport them to other countries.

I will support this measure, knowing more particularly that the usefulness of the Transcontinental line from Winnipeg to Quebec is being more and more recognized to-day, not only in every part of Canada, but in foreign countries also. That system can bring wheat from Saskatchewan and Manitoba cheaper for the farmer on account of its construction.

Hon. Mr. McCORMICK.

With one engine it can haul three times the tonnage that a similar engine on the Canadian Pacific can take to Montreal or Portland. That line is of special advantage to the cattle trade, because it is a smooth line from Winnipeg to Quebec, and the cattle are not shaken and tormented as they are on other roads where the roadbed is not perfect, as this one is. The shorter distance between those points also gives more rapid transport, and when the cattle reach Quebec we may say they are in as good condition as when they left Winnipeg, and they reach the other side of the ocean in better condition and with less loss in weight than if carried by any other railway. This alone is a valuable consideration.

Quebec is coming to be recognized as a great national port, and should be equipped with all the possible advantages for the requirements of the future. I will therefore vote for this measure.

Hon. R. DANDURAND: Honourable gentlemen, since I am closing the debate, I simply desire to say two words. The honourable gentleman from Welland (Hon. Mr. Robertson) has admitted—

Hon. G. G. FOSTER: Do I understand that that closes the debate?

Hon. Mr. DANDURAND: It closes the debate on the second reading.

Hon. G. G. FOSTER: Does this amendment go to the Committee?

Hon. Sir JAMES LOUGHEED: Without committing ourselves to the principle of the Bill.

Hon. G. G. FOSTER: If we are going to vote, I want to give my views on the Bill.

Hon. Mr. DANDURAND: In answer to the question of my honourable friend, in allowing him the right to proceed, and then retaining the right to follow and close, I desire to say that I cannot well understand why we should not vote on the principle of the Bill at this moment, for the very simple reason that a serious question is put to the Senate and to Parliament. That question may be stated thus: In view of the representations of the Shipping Federation, that is alarmed at the lowering of the water level between Quebec and Montreal; in view of the fact that steamers that used to take their full shipload in Montreal have been obliged to stop at a certain moment in loading because of the insufficient depth of water; and in view of the fact that in one season 30 ships of from 15,000 to 16,000 tons, which used to load fully

in Montreal, have been obliged not only to abstain from loading fully, but to unload, and lose 24 hours by sending a part of their cargo on the rails to Quebec, and taking it up when they arrived at Quebec; viewing those facts, and, on the principle of advancing \$5,000,000 to complete and develop the port of Quebec for the purpose of allowing it to handle the large vessels that will be obliged perforce to stop in Quebec, shall we take the responsibility at this moment of saying that we will not accept the advice that is given us, with the danger facing us within a year or two or three that the diversion of water at Chicago may still further lower the level of the St. Lawrence and leave the ships and the ship companies with the obligation of frequenting the southern ports rather than coming up the St. Lawrence?

This is a great danger that we have to face. If the Senate declares that it is ready to face it, well and good; but, with the statements that are before us, with the affirmation of the Shipping Federation, whose interests are most concentrated in Montreal, that in their opinion practically the fate of Montreal is linked to that of Quebec, I believe that we should declare here and now that we shall not take the responsibility of postponing the equipping of the port of Quebec, but shall proceed to develop it adequately.

Hon. Sir JAMES LOUGHEED: Six o'clock.

Hon. Mr. DANDURAND: My honourable friend suggests that we should send this Bill to a special committee, in order to investigate the location, the plan of development, and the cost.

Hon. Mr. ROBERTSON: Will my honourable friend permit me? My suggestion was to send it to the Standing Committee on Railways, Telegraphs and Harbours-not to a special committee.

Hon. Mr. DANDURAND: What would we investigate there? Would we pass judgment upon the decision of the Harbour Commissioners—

Hon. Sir JAMES LOUGHEED: Certainly.

Hon. Mr. DANDURAND: —to extend their port one way or another? Shall we impose our judgment as to the expenditure, which is to be controlled by the engineers of the Marine and Fisheries Department? I believe not.

Hon. Sir JAMES LOUGHEED: How do we know that? We have not been told anything on it.

Hon. Mr. DANDURAND: But my honourable friend knows very well that we are on the second reading—

Hon. Sir JAMES LOUGHEED: We have no information before us.

Hon. Mr. DANDURAND: I have here a statement of the expenditure, and I will lay it before the House in due time. The whole issue at present is whether or not we shall comply with the request for an extension of the port of Quebec and its proper development. That is the only question to-day. As to the manner in which that is to be done, I wonder if it is worth while referring it to the Railway Committee to hear the engineers from Quebec, or the engineers of the Government, and decide upon the merits of the location and the expenditure to be made. I have the plans and the figures, and will lay them before the Senate; but surely these are details that can be left to the engineering experts. Surely the Harbour Commission and its engineers ought to decide as to the best location. They have consulted the two railway companies. We know the exact location: it is just below the Chateau Frontenac, and along the St. Lawrence towards Wolfe's Cove. We know that it is a splendid frontage on the St. Lawrence. All these facts are known to us, and it seems to me that what we have now to decide is whether or not we shall take the responsibility of denying the resquest of the Shipping Federation that we begin now to develop the Port of Quebec so as to provide for the possibilities of the morrow.

My honourable friend from Welland (Hon. Mr. Robertson) has admitted that there is a danger, and that it may go on increasing from year to year if we do not succeed by diplomatic means in preventing the diversion at Chicago. In the face of that menace, shall we take the risk of disorganizing all our transportation facilities and advantages on the St. Lawrence? I for one am not ready to assume that responsibility, and I ask that this question and the principle of the Bill be now decided.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman permit me to ask him a question? Is it not a fact that precise records of the rise and fall of the water in the Great Lakes have been kept for the past sixty years? And is it not a fact that on more than one occasion—on more than ten occasions—the water has been as low in the lakes and in the rivers as it is to-day? I have a copy of the record of the past sixty years.

Hon. Mr. DANDURAND: I have not the data before me, but I know what is the apparent effect of that diversion during the last three years.

Hon. Mr. LYNCH-STAUNTON: Is it not a fact that the water is not lower in the lakes and in the St. Clair and all the rivers than it has been on many occasions in the past sixty years, during which an accurate record has been kept?

Hon. Mr. DANDURAND: I am not ready to answer that question for my honourable friend.

Hon. Sir JAMES LOUGHEED: Six o'clock.

Some Hon. SENATORS: Question.

Hon. Mr. DANDURAND: If there is no one to follow-

Hon. G. G. FOSTER: Honourable gentlemen, I desire to make an explanation for the vote I am going to give.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. G. G. FOSTER: Honourable gentlemen, had it not been for the statement made this afternoon that there was, or might be, some jealousy between the ports of Montreal and Quebec, it is quite possible that I might have thought I could discharge my duty by voting without explanation. But, having lived my life in Montreal, I want to assure the honourable members of this House that nobody can justly say that there is in that great metropolis the least jealousy towards the port of Quebec. There is no part of Canada in which Montreal takes greater pride than in the history, the progress and the success of the city of Quebec, and it is unfair and untrue to insinuate, for any purpose, that any feeling of jealousy exists.

I congratulate the honourable Senators for the Gulf (Hon. Mr. L'Espérance) and Stadacona (Hon. Mr. Webster) on the earnest, sincere and splendid way in which they have appealed to this Chamber. I can understand and appreciate in every way their pride and interest in that port. The years of faithful service which the honourable Senator for the Gulf rendered as head of the Quebec Harbour Commission, and the years which the honourable Senator for Stadacona has sper' in the commercial life of that city and the great interests there, well entitle them to come here and urge the right of Queber and the development of that port. But it must have been apparent to every honourable Senator that, after they had spoken, with all their earnestness, and the honourable leader of the Government had finished his statement concerning it, this House had not been given adequate explanation or proper details concerning this project, considering the amount of money that is at stake and the future commit-Hon. Mr. DANDURAND.

by it. If we knew all about this project, I do not know but that the House might feel disposed to devote a certain sum of money towards making a start with it, were it not for this other reason against it. But we are told plainly that it is a matter of \$20,000,000 -\$5,000,000 this year, \$15,000,000 in years to come-and from the moment that we are committed to the principle that the development shall be undertaken, the people of this country are committed to the expenditure of \$20,-000,000. And who is there here, with the experience that we have all had in public developments in the past, who has had any figures given to him to show that \$20,000,000 or \$30,000,000 or \$40,000,000 is the limit of this expenditure? I have not received from any source to which I have applied the information that enables me to intelligently understand

ments of this country that are being made

what this commitment means. I cannot understand, if the port must be developed, why we do not go on and develop it at the place where the other development is. Some people say that mud runs down the St. Charles river; others say there are difficulties that we have not had fully explained. So far as I can see, it is the height of folly for us to talk about the development that is pictured in that book, without having the fullest details about the possibility of development at the old port at much less cost. Although I have had no experience as an engineer, but having had experience in public works of this kind, I do not believe the development pictured to the honourable members of this House can ever be built for \$5,000.000, \$10,000,000, \$15,000,000, \$20,000,000 or \$30,000,000. I am not at all sure that a smaller expenditure in the other place would not achieve all that is necessary.

But there is another point. What about the income from this investment? \$20,000,000 at 5 per cent is what? We are asking the people of this country to put up \$1,000,000 a year, and yet who has told us a single word of the income that is coming from this investment? Is it \$100,000 a year? Are we going to lose \$900,000? Nobody has told us. I say that the man who comes to the Senate and asks us to earnestly and honestly support a proposal of this kind should have given some figures to show what the development is going to earn and the conditions under which it is going to be run.

Looking at the picture, I do not believe that sufficient railroad tracks can be built behind that work to do the railroad business that will be developed there if it develops as a good many people think it will. Take the city of Montreal, for instance. All who are familiar with the development in the city of Montreal know how wide the railroad tracks are, and how far back they run in order to get the goods in and out. There is no such possibility in this picture, unless you run out into the St. Lawrence river; and, further, there is certainly no evidence before this House to show where we are going to get that business.

My honourable friend from New Brunswick is quite entitled to be sorry, and to wish that the development of this port should relieve the condition of the people of this country that was brought about by the railroad that was going to bring relief to Quebec and the lower Provinces. But the trouble with that railroad is that is was conceived in sin and developed in iniquity, and it has not one chance in a million, whether these wharves are built or not, of doing any successful business or earning money for the people of Canada. I cannot think that the development of this port is going to develop business that is going to make that railroad a success: and because of this belief and because we have no money to speculate with, I cannot vote for this Bill.

Hon. SMEATON WHITE: Honourable gentlemen, I wish to endorse everything that the honourable gentleman from Alma (Hon. Mr. Foster) has said with reference to what we in Montreal think about the port of Quebec. We are all very proud of it, and if this scheme could be carried through to the credit of that city and that port, and also to the credit of Canada generally, nobody would be more proud of it than the people of Montreal.

I know something about the port of Quebec; I have visited it many times; but I cannot see at the present time that there is any need of this large expenditure, and on that gnound, honourable gentlemen, I will oppose the Bill. I think that anything that is necessary and that is going to bring some return must be considered by us, even if we feel that we do not want to make any large expenditure at the present time. But with regard to this particular scheme, even the people of Quebec cannot convince me that there is any immediate need of building for the future. For that reason I will oppose the Bill.

Hon, W. B. ROSS: Honourable gentlemen, I just wish to say a word before I vote on this Bill. For years I have had hope that the story that I had heard in many quarters, that it would be possible for Quebec to draw a large trade from the Northwest via the Transcontinental, would be borne out by the reality. I feel somewhat like the honourable

member from Cape Breton, that, if it were possible to bring to Quebec the wheat and cattle and other riches of the Northwest at a lower figure by this railway than by any other system, it would make a big trade for Quebec in the summer, and there would be perhaps two or three months in the winter, on the close of navigation in Quebec, when St. John or Halifax might have what was left over.

When this Bill was first mentioned to me. I said that it was a railway question. I still say that it is a railway question. It seems now that, for some reason or other which is hard to explain, it costs 15 cents a bushel to bring wheat from Edmonton to Port Arthur, a distance in round figures of 1,300 miles, while from Armstrong to Quebec, a distance of 900 odd miles, it costs 201 cents. Before I vote for any expenditure at Quebec I want to have some assurance that the Transcontinental railroad is not to be abandoned. I am sorry that this vote has come up in the way that it has, because if I had any reasonable assurance that fair play was to be given to Quebec by the Transcontinental, I would be prepared to vote for any reasonable expenditure asked for by the transportation authorities to take care of the trade at Quebec. But until there is some explanation and some assurance as to how the railway is to be handled from Quebec west, I do not feel like voting for any further expenditure at that point.

Hon. N. CURRY: Honourable gentlemen, I wish to endorse what the three previous speakers have said. I used to be a contractor myself, and built some wharves in Halifax, and I know something about the cost of this Within the last few minutes I have work. seen a picture of what is proposed in Quebec, and I am quite satisfied that after the expenditure of the \$5,000,000 which it is proposed to vote you will not be ready to dock the first ship. We had that same experience in Halifax some years ago. We built terminals there, and they are not finished yet; and, although some \$15,000,000 or \$16,000,000 were spent, there has been practically no use made of them. I believe you will have exactly the same experience in Quebec.

If Quebec were going to attract trade and were going to get the trade hauled over the National Transcontinental railway, there would have been some evidence of it before this. The railroad has been built for eight years, but you cannot get wheat buyers or exporters to use the facilities already there. I have sailed from and landed at Quebec several times in the last ten years, and I have never seen the berths that are there even onequarter filled. If this development is made, I doubt very much if it ever would be used. The ships would go on using the present terminals, which are more convenient, as they are doing in Halifax. As I said, \$15,000,000 was spent at the south end of the harbour there, and the steamers are still going up to Nos. 1, 2, and 3 piers at the north end. I am perfectly sure that any money that is spent in Quebec will be absolutely thrown away, and that if you go on and complete the whole terminal there you will not get off with less than \$30,000,000.

Hon. F. L. BEIQUE: Honourable gentlemen, I am as anxious as anybody in this House to curtail expenditure as far as possible. I must confess that at first I was somewhat disturbed when this Bill was announced.

There is one question that weighs in my mind. Can it be denied that the port of Quebec is the natural port of the St. Lawrence, that it is the best situated, and that it must be the port of the future?

Hon. Mr. CURRY: The same can be said of Halifax.

Hon. Mr. BEIQUE: No, because Halifax is far away. It is a port of another nature altogether. For my part, instead of being jealous of Quebec, I have been disappointed that the port of Quebec has not developed to a greater extent than it has; but I have no doubt at all—and I dare say that every honourable member of this House feels the same way—that the port of Quebec cannot for one moment be abandoned.

Hon. Mr. CURRY: It has been up to now.

Hon. Mr. BEIQUE: Would the honourable gentleman suggest that we should give up the idea of the port of Quebec for all time? Do we know what will be the condition of navigation in five years? With everything developing as it is, we cannot say at all what will happen in the future.

I have no practical knowledge of navigation or of ports to enable me to form a proper judgment by myself, but I have before me the statement of the Shipping Association, which is a great Association. I cannot believe that that Association would give advice to the country which would be contrary to the interests of Canada.

I understand from what has been read here that this project is supported by the President of the Canadian Pacific Railway. The Canadian Pacific Railway is interested more than any other company in the future of this country.

Hon. Mr. CURRY.

Hon. Mr. CURRY: Is it not natural that a steamship company or a railroad company that can get extra facilities at no cost to itself should be very glad indeed to have the Government spend large sums of money to make all sorts of conveniences for its benefit?

Hon. Mr. BEIQUE: My answer is that the interests of the Canadian Pacific Railway Company are so interwoven with those of the country that what is in the interest of the country is in the interest of the Company; and I am sure that there is no idea in the mind of the President of the Canadian Pacific Railway that would prevent him consulting the interests of the country in a matter of this kind rather than the immediate interests of his Company.

So far as I am concerned, I view this question in the light of the fact that the port of Quebec is the natural port of the St. Lawrence river. The port of Montreal has become one of great importance. It is bound to be continued and always to be a very important port, because it is 180 miles further inland than Quebec. It is nearer to the Western Provinces, and in that way has an advantage. But, I repeat, we do not know what the conditions will be in the future, and I ask whether we should expose ourselves to the possibility of losing the benefit, maybe for 50 years or maybe forever, of the situation of the port of Quebec? The trade of Quebec is of sufficient importance to have attracted large shipping companies from the United States. That port has to be used as a supplement to the port of Montreal, and to what extent it will be further used I do not know. I think it is my duty as a member of this House to take the advice of the Shipping Federation and of other parties who have large interests at stake, and who are better judges than I am of the matter. For these reasons I propose to vote in favour of this Bill.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I cannot very well understand why at this stage more details than have been given to the House are exacted. If I understand rightly, what we have to vote upon is the second reading of the Bill. Whatever may happen to the Bill afterwards, whatever Committee it may be referred to, what we have to determine now is the principle of the Bill. It seems to me—I may be wrong that we must consider only the principle of the Bill, remembering that this measure, like any other, by following its natural course, will bring to us the information which we may require. The question put to this House is whether we should or should not spend \$5,000,000.

Of course we are poor, and of course we ought to retrench as much as we can, but there is a limit to that. Are we going to plead poverty to every demand that comes before this House, and turn it down accordingly? Let me ask my honourable friend from Assiniboia (Hon. Mr. Turriff) to recollect what his position was last year-we were poor then also-when we were discussing railway extensions, and when we were asking for information, and getting some that in my opinion was not comparable to what we already have in regard to this measure. Still my honourable friend was insisting that we should spend, and spend, and extend railways in that western country, from which we transport wheat; but, even if we transport a great quantity of wheat, we are doubtful whether we make any money with it at all.

Now, what have we in support of the principle of this Bill? I am addressing myself to the business experience which this House represents, and it would be difficult to find as good a jury for a business proposition such as this. The port of Montreal was not always a paying port. It had its troubles at first. It had to borrow from the Dominion Government, and it was not sure that it could honestly pay interest on the But the Canadian amount so borrowed. nation had faith in the port of Montreal, and advanced the amount, and now we are paying every cent of interest on the money loaned to us from the treasury of Canada. Well, why was the port of Montreal at that time specially a national port? Because it was the extreme point of water penetration in the country. Now, it is evident that that point of penetration is now changing-why?

Thirty years ago, when I went to Europe. I took what I thought was a very big boat: it was 5,000 tons, a very comfortable boat; but I ask my colleagues, who among them would now take a boat of 5,000 tons to cross the ocean? We have now huge monsters of 55,000 tons, and the passenger traffic practically excludes all boats which are not within the range of from 20,000 to 50,000 tons.

Hon. Mr. ROCHE: Can a 55,000-ton boat go up the St. Lawrence?

Hon. Mr. BEAUBIEN: It can go to Quebec.

Hon. Mr. ROCHE: Do they go?

Hon. Mr. BEAUBIEN: No, but they are increasing in tonnage all the time. My honcurable friend does not need to smile; he

only needs to read history, and he will have his answer. Boats coming to the port of Quebec have grown from 5,000 to 20,000 tons, and who can say that within five or ten years from now we shall not see coming to that port boats of from 30,000 to 40,000 tons?

Hon. Mr. ROCHE: Does the honourable gentleman know that the steamship companies are now abandoning the 50,000-ton boats, and that they consider that those of 15,000 to 20,000 tons are the boats of the future?

Hon. Mr. BEAUBIEN: Does my honourable friend want to give that as law to the House?

Hon. Mr. ROCHE: I do.

Hon. Mr. BEAUBIEN: Then I think my honourable friend is wrong.

Hon. Mr. ROCHE: I knew the boats when they were 1,200 tons. The Cunard line started with boats of 1,200 tons. There are now only three of 55,000 tons, and they were got from the Germans. There are no other boats of that size.

Hon. Mr. BEAUBIEN: Not the Olympic?

Hon. Mr. ROCHE: No; 46,000 tons is the biggest boat now.

Hon. Mr. BEAUBIEN: What I want to put to my honourable friend is this. Supposing that we have now reached the limit of tonnage of big boats, which have grown until they are huge monsters, do you think we are likely to go back to boats of less than 25,000, 30,000 or 35,000 tons? I defy my honourable friend to demonstrate to this House that any decent line doing a big passenger trade now builds passenger boats of less than 20,000 tons. They do not; they make them over 30,000 tons. The French line two years ago built the Paris, a boat of 36,000 tons. Now, take that as a limit. At this stage, when we are only considering the question of principle, before we ask for details, are we going to deny to the river St. Lawrence all large passenger trade because, forsooth, it must be carried by big boats?

I come from a city which is sometimes supposed to have a sort of strange grudge against Quebec. It is not true. I think we are broad-minded towards Quebec as we are towards the Dominion. I do not regard this question as one that concerns only Quebec, or only my province. It is a problem that concerns the whole Dominion. It seems to me that is the way it should be treated.

How is this matter presented to you? The witnesses you have had before you are heard only on the principle of the Bill. You have,

had the whole Shipping Federation. Forget all the lines that belong to that organization, and all the eminent men who direct them. Forget also the Canadian National railways, although nearly all the lines that we authorized in the West last year were built because two of the employees of the Canadian National came before us and assured us that they were required, and we took their word for it. Now we have the whole National Railway endorsing this measure; but forget that. We have also the Canadian Pacific Railway endorsing it. Forget that that company is the biggest transportation company in this country, but remember that it is our biggest taxpayer. But forget that.

Now, if you want any personal, individual testimony, free from any sort of party sympathy, hearken to the honourable member from the Gulf (Hon. Mr. L'Espérance), a man who has shown his courage, ability and honesty in the past. You heard him this afternoon. If you were seeking amongst the members of this House for the man best qualified in every respect to give you testimony on this matter, would you not select the man who was placed, not by this Government, but by the preceding Government, at the head of the port of Quebec? He has for years studied the plans that you criticize now as you see them rapidly and within a few square inches on a sheet of paper. That man thought out those plans years ago, followed their development for years, and had himself the responsibility of the administration of the port of Quebec. Could you find a better witness? Would you say that he is being carried away by sympathy? What did he do last year? When a railway in the province of Quebec was proposed, which was going to cost us a million and a half, do you remember that he said to the Government: 'I denounce that railway, because that expenditure is not justified." Did we hear any word of that kind from the honourable gentleman rom Assiniboia (Hon. Mr. Turriff)? That ailway was dropped because our honourable colleague had the courage to rise in his place, against a very strong current of feeling in his own province, and state that that railway was not needed. The honourable member for the Gulf has studied all the possibilities of this port, and the plans which are now submitted to you, and he has come before you and pleaded in an admirable way for the principle of this Bill.

For my part I regard this project as a great national enterprise, realizing that if you stop it you will stop the very life of Canada. I consider this vote of money essential to en-

Hon. Mr. BEAUBIEN.

able Canada to overcome the handicap that has been put upon her. It is active money; it is useful money; it is money that will produce the interest required to pay our accumulated debt, and I am going to vote for the Bill.

Hon. WM. ROCHE: Honourable gentlemen, I did not intend taking any part in this debate. I voted for the dredging at Quebec last year, and I will now vote for this measure. But some remarks have been made that are rather disparaging to the port of Halifax, and I want to say that if there is any mational port in Canada, it is the triple port of Halifax, 15 miles long, with a depth of 70 feet of water.

I have seen all the ships that the honourable gentleman speaks of, the very best of them—the Olympic—at the railway wharf in Halifax, the wharf next to my own. I have seen the largest ships that are on the Atlantic, with the exception of the German boats, and a good many of them; so I may say without any reservation that the port of Halifax during the war saved the British Empire. In the basin of Halifax there were collected at times 100 ships in a convoy, and if those ships were not collected in the port of Halifax the British Empire would have succumbed in the war.

Hon. Mr. POIRIER: What is the matter with St. John, New Brunswick?

Hon. Mr. ROCHE: St. John is sometimes there, sometimes not. I do not want to disparage any port whatever; but when any comparison is instituted between places, one being called exclusively a national port, I say that the port that deserves that title is Halifax. We have at present facilities in Halifax to accommodate the largest ships, and all of them. When the Olympic came in, the captain wanted the harbour cleared out, but when he got in he found there would be room for 100 more ships like his own in one of the harbours.

If the worst enemy of Halifax could have come there and selected the place to put those south terminals, he would have put them just where the Borden Government put them —the most exposed place in Halifax, with a shoal outside of it, and no water inside. Very fortunately there were already in existence the deep water terminals, which could accommodate the largest ships, and at those places any vessel that wished to communicate with Halifax, or obtain any stores or goods, or land anything, could find accommodation.

I want to say that there will be no vessels carrying grain exclusively of 40,000 tons or more. I know, from intimate knowledge of the captains and owners of the Atlantic lines, that they consider those very large ships which were taken from the Germans—the Majestic, the Imperator and the other one, the three being about the same size—merely as show ships, which are kept by the big New York lines as advertisements. They do not pay, the lines depending upon the smaller ships to earn the money to support the companies, and also to support those big ships.

Let us take a concrete case. The other day at an examination before a Committee, some agents of the lines running into Quebec and Montreal stated that they lost £3,000 on every trip, because the vessels were too large for the trade. I do not want to say a word to disparage the port of Quebec or the port of Montreal. There is room in Canada for all our ports, but I do not like to hear any person applying the term "national port" to a place 100 and 200 miles up a river, or to another place up a river that is closed in winter and not available all the year round, when the port of Halifax could take them all in all the time.

Hon. E. D. SMITH: I want to say just a word on the principle of this Bill, by which \$5,000,000 is to be spent almost immediately.

Hon. Mr. DANDURAND: No, in five years.

Hon. Mr. SMITH: It is proposed to start new facilities for docks in the city of Quebec. Now, I will not take second place to anyone in my desire to secure the best facilities for shipping at all our ocean ports. Some people think that because a man lives in the central part of the Dominion he has no interest outside of that; but I can assure honourable gentlemen who live in the Province of Ouebec that not one of them has more desire to see the shipping facilities in the cities of Quebec and Montreal made good and efficient, and ample for the trade of this Dominion, than those who live in the central part, because their living is made by the exports and imports coming largely through our ports. I have no objection to making Quebec a perfect port when we can afford it and when it is needed. I submit, honourable gentlemen, that it has not been shown here by the proponents of this measure that it is needed in the immediate future.

What are the three great items that constitute traffic? One is the passenger traffic. Before the war 400,000 immigrants came into this country, and we had facilities sufficient to handle them, though there may have been a little congestion. Now we are bringing into Canada only 100,000 immigrants. Surely, therefore, we do not need extraordinary facilities at this juncture, when our finances are in their present condition and when the number of immigrants is so small as compared with what we had before the war.

Wheat is one of the great exports of Canada. At Quebec we have an elevator holding 2.000,000 bushels and capable, as the honourable member from Assiniboia (Hon. Mr. Turriff) says, of handling 10.000,000 bushels a vear, and it has handled in one year, at the utmost, I believe, 5.000.000 bushels. I have myself often wondered why it did not receive a larger quantity of wheat. We all remember that, when the Transcontinental railway was promoted and built, it was stated that the read was going to be built in such a first-class manner and with such easy grades that wheat could be hauled from the West to the port of Quebec as cheaply as it could be transported by lake and rail. But that has not been the case. I do not know why. I have often wondered why. It was stated at the time the road was built that a rate of 6 cents would be adopted. At that rate Quebec would undoubtedly be so congested that it would be necessary to have five or six elevators there. But at the rate of 20 cents a bushel from Armstrong to Quebec there is not very much wheat going that way. I have wondered why it would not be possible to reduce that rate at least sufficiently to induce the shipment of enough wheat to keep that elevator busy, and then study the situation and see whether it was not possible to reduce the rate still further. and build more elevators there; but those who have control of the rates and who know what they should be have not reduced them, therefore I assume that it would be unprofitable to reduce them. Until those rates are reduced and more wheat is moved to Quebec by rail, we do not need any more facilities for the handling of wheat. Nobody who has been advocating this proposal has urged that we need any more facilities for wheat at the present time.

Another commodity shipped in large quantities from that port—and I hope it will always be—is cattle. It has been stated in this debate by those who are urging the voting of this large sum of money that Quebec has the best facilities for shipping cattle of any port in Canada. There has been no complaint of a lack of facilities there for that purpose; on the contrary, it is boasted that the facilities are the best. Then there is no immediate need to vote this sum of \$5,000,000 to equip the port for the shipment of cattle.

I have mentioned the three main items, and it has not been shown in this debate that there is any need for more facilities for the handling of the traffic in those commodities. When there is congestion at that port-and I hope that time will come soon-I shall be one of the very first to vote all the money that is needed for the full equipment of Quebec harbour. We want to have Quebec well equipped, and Montreal well equipped, and the Maritime Province ports, and Vancouver; and I will take second place to nobody in urging that this Government vote sufficient money to provide adequate facilities for the handling of all the traffic that is likely to go to any of those ports. But I think that at the present juncture, honourable gentlemen, in view of the condition of our finances, and inasmuch as the immediate need has not been shown, we can afford to wait. There will be time enough when the congestion occurs. Then the necessary facilities can be provided quickly-not in five years, but in one year. A sufficient amount can be provided at any time, on a year's notice, to take care of increased traffic.

Therefore I shall be obliged, much against my inclinations in some respects, to vote against this measure. It is against my inclinations because it will no doubt be said by some that we are parochial—that members from Quebec vote for this measure, but that members from other parts of the country do not vote for it. That is not at all my attitude. As I said before, nobody would vote more readily for money to develop these ports than I would if I thought the expenditure necessary.

Hon. R. DANDURAND: Honourable gentlemen, I will answer a few questions that have been put to me; and I will start by informing my honourable friend that while he has set up certain reasons for the increased accommodation at Quebec and has not found them strong enough to decide him to support the Bill, he has forgotten that there is an authority which ought not to be treated with contempt, and which represents 977,799 gross tons of ocean and coast shipping trading to the St. Lawrence. That is a considerable factor, and I would like to compare it with the total tonnage coming and going on the St. Lawrence. I refer to the Shipping Federation. Are they not most vitally interested? Are they not the users of the route? They should know something about it. They are located in Montreal, and all their interests are centralized there. They say:

Wherefore your Memorialists are of the opinion that an appropriation should be granted to the Quebec Harbour Commissioners to enable them to commence this national work as it may be pointed out that the matter is urgent when it is considered that it will take five years before any of the additional berths can be provided for the use of ocean traffic.

Hon. Mr. SMITH.

My honourable friend has advanced certain reasons which to him did not seem to establish the urgency of this measure; but he has not touched upon that very important pronouncement by the big interests which are intimately, essentially connected with the question of transportation facilities in the ports of Montreal and Quebec. That is the answer to my honourable friend.

I have been asked by my honourable friend from Middleton (Hon. W. B. Ross): "Will you assure me that the railway freight rates will be be so revised as to give the Transcontinental business which would feed and over-feed the port of Quebec?" My honourable friend knows that there it a Bill now on its way to this Chamber which gives the Railway Commission the right to fix railway rates over the whole Dominion of Canada, in order that the rates may be equalized.

Hon. Sir JAMES LOUGHEED: Except as to grain and flour.

Hon. Mr. DANDURAND: Yes. As to grain and flour a maximum is fixed for a certain mileage across the three Prairie Provinces. From that it may be argued that the same mileage rates should be applied eastward. If they were, you would have a solution of the difficulty of my honuorable friend from Middleton and a complete answer to his question.

I have been asked—I believe by my honourable friend from Alma (Hon. G. G. Foster)if I can guarantee him that there will be returns sufficient for the investment. T answer, in all sincerity, that I cannot give that guarantee. I cannot give it for tomorrow, nor for the day after to-morrow. But we are putting to ourselves the question, what must be done to equip our ports on the St. Lawrence? We asked ourselves a similar question when we were considering the equipment of the ports of Vancouver, Fort William and Port Arthur, Halifax and St. John, and on those occasions nobody could rise in his place and declare that the proposed expenditure would be productive. While a certain expenditure may not be immediately productive, it may be, and it often is, The essential and absolutely necessary. future will take care of itself. But I am convinced that, under the conditions as we have them to-day, the ports of Montreal and Quebec constitute one and the same proposition.

I repeat what has been stated by the honourable gentleman from De Salaberry (Hon. Mr. Béique), that conditions are so shaping themselves as to link the fate of Quebec with

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that of Montreal. Under these circumstances I believe that we should be remiss in our duty if we did not provide for the morrow. Are we not confident that the St. Lawrence route will continue to develop and prosper? Have we not confidence in our country? Do we not believe that the West will furnish all the necessary freight to fill the port of Quebec at some time or other? When that time will be no one knows, but the least change in the freight rates will do the trick.

Besides these possibilities which are looming up, there is the fact that only steamers of not more than 15,000 or 16,000 tons can go up the St. Lawrence and take on a full cargo at Montreal, and we may be sure that the larger vessels will have to come up the St. Lawrence if we want to capture and retain and develop passenger traffic.

My honourable friend from Wentworth (Hon. Mr. Smith), who has just spoken, said that we could handle the inward passenger traffic because of a decrease in immigration. But I would again draw his attention to a point that he has missed, namely, the fact that there is an outward passenger traffic. That is a profitable business. It brings into Canada our American neighbours' money by the thousands and thousands. Not only the West and the Middle West, but also the Eastern States of the Union are becoming more and more tributary to the St. Lawrence. As I have said, I met in Paris hotels, on the many trips I took to France before the war, families from Boston who told me, to my utter surprise, that they took the St. Lawrence trip in preference to the trip from their own port, and they intended to return by the St. Lawrence route.

My honourable friend from Amherst (Hon. Mr. Curry) states that he has had some experience in port development, that he has seen on a small map the intended programme of the Quebec Commission, and thinks it will take many times \$5,000,000 to develop that plan. Well, I would point out to my honourable friend that fifteen or twenty years ago the Harbour Commissioners of Montreal sent for a high-class expert in port development from England. I think there were two experts who came. They studied thoroughly the needs of the port of Montreal and its development, and prepared a plan, but after fifteen years that plan is hardly half accomplished. There was even a bridge across the port to St. Helen's Island, and to the southern shore. Their plan provided for the development of the port of Montreal over a period of fifty or a hundred years. My honourable friend has looked at a plan also prepared by expert, S-37

probably not the same one from abroad, as was mentioned by, I think, my honourable friend from the Gulf (Hon. Mr. L'Espérance). This is a plan which will be developed according to the needs of the port of Quebec during the next twenty, thirty or fifty years, but I can assure my honourable friend that the \$5,000,000 asked for, the details of which I have before me for the Committee stage, will provide for the building of the wharves, the sheds and the connecting railway, and will give the additional berths necessary. The whole programme will not be covered, but this plan will be developed according to the requirements, as was that of Montreal.

Hon. Mr. CURRY: May I ask a question? I think my honourable friend will admit that it will be necessary to spend as much as was spent in Halifax, in order to get the first ship in, and Halifax spent about \$15,000,000, at a time when work could be done for very little if anything more than half what it would cost to-day.

Hon. Mr. DANDURAND: I am informed that these facilities will give at least six additional berths at the port of Quebec.

Hon. Mr. CURRY: Not for \$5,000,000.

Hon. Mr. DANDURAND: But of course there is the development. When you have opened up six berths you have prepared the way to increase them. There is a settled, detailed plan, which I will explain in Committee, for that expenditure of \$5,000,000, covering the whole programme of the next five years. My honourable friend has heard the statement that there is at Quebec an elevator that could be utilized to a far greater extent than it is at present. Under the plan which is submitted to you, none of the \$5,000,000 to be expended applies to the elevator, but I have no doubt that if the rates are altered in such a way as to give Quebec a fair deal, we shall come back with a request for a special vote to put up one or more additional elevators at that port.

Hon. Mr. McMEANS: Is the honourable gentleman aware that the Quebec Board of Trade applied to the Railway Commission in 1921 for a reduction of the rate of 20.75 cents a bushel from Armstrong? The rate was originally 6 cents a bushel; it was raised to 25 cents, and then reduced to 20.75. When the Board of Trade applied to the Railway Commission they were promptly told that that rate would not be changed. The honourable gentleman is aware that the present Government have given authority to the Railway Commission to control rates. In the face of this decision and the reply given to the Quebec Board of Trade, how can any hope be held out for a reduction of A Committee was aprates to Quebec? pointed by this House to inquire into the reason why the rate from Armstrong to Quebec was so heavy. An honourable member from Quebec was the Chairman of that Committee. I have never heard that there was the slightest chance of any reduction of the freight rate from Armstrong to Quebec, and I do not see how my honourable friend can hold out to this House, as an inducement to vote \$5,000,000 of the people's money at the present time, the hope that there will be any reduction of that rate.

Hon. Mr. DANDURAND: I am not holding out any inducements to this House. I am simply answering the honourable gentleman from Middleton, telling him that the Railway Commission is empowered, under the Bill which will reach us shortly, to revise rates, with a view to equalizing them. That will be a mandate from this Parliament to the Railway Board—a direction so clear that I hope Quebec will come into its own.

Honourable gentlemen, with these explanations I leave the fate of the Bill in your hands, asking you to bear in mind the expression of the Shipping Federation, that it is urgent that this work should begin now.

Some Hon. SENATORS: Question.

The Hon. the SPEAKER: Do I understand that the honourable member for Assiniboia (Hon. Mr. Turriff) wants a ruling on his amendment?

Hon. Sir JAMES LOUGHEED: No, no. Withdraw it.

Some Hon. SENATORS: Withdraw.

Hon. Mr. TURRIFF: Mr. Speaker, I understand that it is contrary to the rules to move such an amendment after the second reading. From what I have seen of the rules since moving that amendment, I feel quite satisfied that you would rule it out of order. I therefore withdraw it.

The proposed amendment of Hon. Mr. Turriff was withdrawn.

The motion for the second reading of the Bill was agreed to on the following division:

CONTENTS

Honourable Messieurs:

Aylesworth Beaubien, Béique, Belcourt, Bénard,	(Sir	Allen),	Blondin, Calder, Chapais, Dandurand, Daniel,
	f T	ANDID	

Hon. Mr. DANDURAND.

David, Farrell, Griesbach, Harmer, Haydon, King, Lavergne, Legris, L'Espérance, McCoig, McCormick, McHugh, Montplaisir, Pardee, Planta, Poirier, Roche, Ross (Moose Jaw), Taylor, Tessier, Thibaudeau, Turgeon, Webster (Brockville), Webster (Stadacona).-34.

NON-CONTENTS

Honourable Messieurs:

Martin.

Black, Blain, Crowe, Curry, Donnelly, Fisher, Foster, Gillis, Gordon, Green, Laird, Lougheed (Sir James), Lynch-Staunton,

McLean, McMeans, Michener, Mulholland, Robertson, Ross (Middleton), Schaffner, Sharpe, Smith, Tanner, Todd, White (Pembroke).—26.

The Bill was read the second time.

Hon. SMEATON WHITE: Honourable gentlemen, I was paired with the honourable gentleman from Rigaud (Hon. Mr. Boyer). Had I voted, I would have voted against the Bill.

Hon. Mr. TURRIFF: Honourable gentlemen, I was paired with the honourable gentleman from Rougemont (Hon. Mr. Dessaulles). Had I voted, I would have voted against the Bill.

Hon. Mr. McLENNAN: I was paired with the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain). Had I voted, I would have voted against the Bill. I agreed to pair before I heard a clear explanation given.

Hon. Mr. DANDURAND: I move that the Bill be taken into consideration by the Committee of the Whole House to-morrow.

Hon. Mr. TURRIFF: I beg to move in amendment to the motion of the honourable the leader of the Senate:

That this Bill be not referred to the Committee of the Whole, but that it be referred to the Standing Committee on Railways, Telegraphs and Harbours.

The proposed amendment of Hon. Mr. Turriff was negatived, and the motion of Hon. Mr. Dandurand was agreed to.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill D6, an Act for the relief of Lucy Eileen Johnston.—Hon. Mr. Blain. Bill E6, an Act for the relief of Susan Ellen Taunton Love.—Hon. Mr. Blain.

Bill F6, an Act for the relief of Caroline Watters.—Hon. Mr. Blain.

Bill G6, an Act for the relief of Grace Wilhelmina Harrison.—Hon. G. V. White.

FIRST, SECOND AND THIRD READINGS

Bill N6, an Act for the relief of Ethel Foster.—Hon. Mr. Fisher.

YUKON QUARTZ MINING BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 6, an Act to amend the Yukon Quartz Mining Act.

He said: Honourable gentlemen, this Bill concerns the Yukon, and is an amendment to the Yukon Quartz Mining Act. It was introduced by the member for the Yukon district in the House of Commons, but as its adoption seemed to be pressing, the Minister of the Interior took it under his wing and advanced it through the House of Commons, and it is now before us.

I hope that there are members in this Chamber who are more familiar than I am with the Yukon Quartz Mining Act. I will not give any explanation, as there are amendments to the Act. I will move the second reading, and we will go into Committee of the Whole on the Bill immediately.

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. Taylor 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.

CRIMINAL CODE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 147, an Act to amend the Criminal Code.

He said: Honourable gentlemen, this is an annual.

Hon. Sir JAMES LOUGHEED: A hardy annual.

Hon. Mr. BELCOURT: Growing every year, though.

 $S - 37\frac{1}{2}$

Hon. Mr. DANDURAND: It contains 32 amendments to the Criminal Code. They are all important, since we are creating offences. I will not dilate upon them, or stop to examine one in preference to the other, because I suppose they are all equally worthy. I will content myself with moving the second reading of the Bill.

Hon. Sir JAMES LOUGHEED: Without committing ourselves to the principle.

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. DANDURAND: I move that the Senate go into Committee of the Whole on the Bill.

Hon. W. B. ROSS: I would like to call the attention of the House to the fact that there are 10 pages in this Bill, and it covers a variety of subjects. The fact is that we will practically have to go into nearly the whole Criminal Code, certainly into a large part of it. I do not think it is a Bill for discussion in Committee of the Whole at all. I think the best thing to do would be to send it to a Special Committee, as we have done with two or three other Bills, so that members can sit down around a table with the statutes and books, and, with the help of the Law Clerk, who has these things largely at his finger-ends, and can help in locating the sections and showing how one section interferes with another.

I would therefore move in amendment that this Bill be referred to a Special Committee consisting of Messrs. Dandurand, Lougheed, Pardee, White (Inkerman), Barnard, McMeans, Willoughby, Robinson, Béique, Belcourt and the mover.

Hon. Mr. DANDURAND: Honourable gentlemen, we have in the past examined these amendments in Committee of the Whole; but I admit that, as some of these amendments are coming to us for the second or third time, it would be opportune to have the Department of Justice appear before the Special Committee, in order to give its point of view. There are some technical amendments; others are of general policy. Of course, the latter appertain to the Senate proper, but I am inclined to agree with the amendment of my honourable friend in order that the Law Clerk and the Department of Justice may appear before that Committee.

The amendment of Hon. Mr. Ross was agreed to.

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

THE SENATE

Friday, June 19, 1925.

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

Prayers and routine proceedings.

DIVORCE STATISTICS, 1925

Hon. W. B. WILLOUGHBY: Honourable gentlemen, I have here a statement from the Divorce Committee which I think will be of interest.

For the present Session 150 notices of intention to apply to Parliament for Bills of Divorce were given in The Canada Gazette. Of the foregoing 149 were actually presented in the Senate and dealt with by the Committee on Divorce, as follows:

Petitions heard and inquired into	 139
Recommended	135
Rejected	4
Not proceeded with	7
Withdrawn	3

Of the petitions heard, 65 were by husbands and 74 by wives, the grounds being as follows:

Of the applications presented 127 were from residents in the Province of Ontario and 12 from residents in the province of Quebec.

An Analysis of the occupations followed by the applicants is as follows:

1 accountant.

2 agents.

1 bookbinder.

1 broker.

1 builder.

1 butler.

6 civil servants.

8 clerks. 1 cook.

1 cashier.

1 chauffeur

1 commercial traveller.

1 druggist.

1 driver.

1 drover. 1 dentist.

1 dairyman.

1 florist.

3 farmers.

1 furrier.

1 grocer.

2 labourers.

2 manufacturers.

69 are described as married woman.

2 musicians.

6 managers. 4 merchants.

1 mechanic.

1 motorman.

1 operator.

1 orderly.

1 policeman.

2 plumbers.

1 presser.

1 printer.

1 street car conductor.

1 stationary engineer.

1 stenographer. 1 steward.

1 steward.

1 schoolteacher. 2 salesman.

Hon. Mr. DANDURAND.

1 tire repairer.

10 occupations not stated.

In 59 cases the Committee on Divorce recommend that the Parliamentary fees be remitted, less printing charges.

To deal with petitions during the present Session, the Committee held twenty-one sittings averaging two and one-half hours for each sitting, also very many sittings of sub-committees.

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 number of divorces and annulments of marriage granted by Parliament in the last ten years is as follows:

1916	 	 	 	 	 	 24
1917	 	 	 	 	 	 17
1918	 	 	 	 	 	 15
1919	 	 	 	 	 	 55
1920	 	 	 	 	 	 100
1921	 	 	 	 	 	 111
1922	 	 	 	 	 	 102
1923	 	 	 	 	 	 117
1924	 	 	 	 	 	 130
1925	 	 	 	 	 	 135

The last issue of the Canada Gazette contained eighteen notices of intended applications for divorce for the next Session of Parliament

The 1924 report of the Dominion Bureau of Statistics, on the subject of Divorce in Canada, is submitted herewith.

Respectfully submitted.

A. H. Hinds, Chief Clerk of Committees. Clerk of the Divorce Committee.

Dominion Bureau of Statistics-Divorce in Canada, 1924

Statistics of divorces, secured from the authorities of seven provinces where divorces are granted by the courts and from the Dominion statutes for Ontario and Quebee, and compiled by the General Statistics Branch of the Dominion Bureau of Statistics, show an increase of 38 in the number of divorces granted in Canada during 1024 over the previous year. A total of 543 divorces were granted during the calendar year 1924, as compared with 505 during the calendar year 1923—an increase of 7.5 per cent. The 1924 total is only 5 less than the record number, granted in 1921.

The increase in divorces granted from 1916 to 1921 has been ascribed to the unsettling psychological effects of the war period and the long separations of men from their wives, combined with the new facilities for obtaining divorce, provided by a decision of the Judicial Committee of the Privy Council, which enabled the courts of the Prairie Provinces to grant divorces. Decrease in the totals in 1922 and 1923 appeared to indicate a decline in divorces which might be ascribed to the cessation of abnormal war-time conditions, but the comparatively large increase in 1924, six years after the Armistice, must evidently be attributed to the greater ease with which decrees may now be obtained and, possibly, to a more lenient view of such proceedings on the part of the community. It may be re marked, however, that any attempt to attribute increases or decreases throughout the Dominion to any particular cause must be very approximate, since Table 1, following, shows the fluctuations in the various provinces to be quite irregular.

The number of divorces granted during 1924, by provinces, (Table 1) was 136 in British Columbia, 118 in Alberta, 114 in Ontario, 77 in Manitoba, 42 in Nova Scotia, 28 in Saskatchewan, 15 in New Brunswick, 13 in Quebec and none in Prince Edward Island, where, indeed, only one divorce has been granted since Confederation.

The largest increase in divorces in any province during the year was in Alberta, where 1924 showed an increase of 31 over 1923. Next in order were Nova Scotia, Ontario and Quebec, with increases of 20, 9 and 2 respectively. woon desertion are granted to wives. In the United States, Saskatchewan, Manitoba, New Brunswick and British however, 40 per cent of the divorces granted to wives Columbia recorded respective decreases of 13, 4, 4, and 3. In addition to the actual increases or decreases by provinces, attention may also be drawn to the larger number of decrees granted to wives in Nova Scotia, Manitoba and Alberta, to husbands in Nova Scotia, and Alberta and to the smaller number granted to husbands in Manitoba and to wives in Saskatchewan, (See Table 2).

The Sex of Applicants for Divorces-

It will be seen that, in the common division of divorce statistics into those granted to husbands and to wives, the 1924 figures indicate a change from the preceding year. In 1922 and 1923, divorces granted to husbands in Canada formed respectively 58 and 53.5 per cent of the total number granted. In 1924, how-ever, this percentage dropped to 48.8 per cent. The change in relative proportions is very probably to be accounted for by the recent demand for equal rights for either sex in divorce proceedings. In comparing Canadian divorces in this respect with those in New Zealand and in the United States, it is seen that the decrees granted in New Zealand are also distributed practically evenly between the sexes, while in the United States, since 1889, the proportion between decrees granted to husbands and to wives has been approximately 1 to 2 respectively.

(A possible indication of the grounds of petitions and decrees may be had from statistics of divorce in New Zealand, where a preponderance of divorces are granted to husbands on grounds of adultery and separation, while a corresponding preponderance of decrees based

however, 40 per cent of the divorces granted to wives are on grounds of cruelty, while 44 per cent of those to husbands are on grounds of desertion. In the latter country, as in New Zealand, a correspondingly larger proportion of decrees are granted to husbands on grounds of adultery than to wives).

Divorces Granted in United States to Persons Married in Canada-

A fact which throws considerable new light on the divorce situation in Canada is found in the Marriage and Divorce Bulletin of the United States Bureau of the Census. The statistics of this publication indicate the surprisingly large extent to which divorces are granted in that country to persons married in Canada. Thus, in 1922, no fewer than 1,368 divorce decrees were granted to couples married in Canada, a number more than 21 times as large as the total number granted in Canada in the same year. This number also formed 36.2 per cent of the number of divorces granted in United States during the year to couples married in foreign countries, while, at the same time, the per-centage of the Canadian-born population to the total foreign-born amounted to only 8.1 per cent. The Bulle-tin goes on to say: "It is possible that many Canadians acquire a residence in the United States for the sole purpose of obtaining divorce because in general, divorce laws are more liberal in the United States than in Canada." Of the 1,368 divorces granted to couples who had been married in Canada, no fewer than 462 were granted by the courts of the State of Michigan, while 135 were granted in the State of Washington and 128 in California

I. Divorces Granted in Canada, 1913-1924. (Final Decrees)

Year	Ontario	Quebec	Alberta	Saskat- chewan	Manitoba	Nova Scotia	New Bruns- wick	British Columbia	Total for Canada
$\begin{array}{c} 1913. \\ 1914. \\ 1915. \\ 1915. \\ 1916. \\ 1917. \\ 1918. \\ 1919. \\ 1920. \\ 1920. \\ 1922. \\ 1922. \\ 1923. \\ 1924. \\ \end{array}$	20 18 10 10 49 91 101 90 105 114	$\begin{array}{c} 4 \\ 7 \\ 3 \\ 1 \\ 4 \\ 2 \\ 4 \\ 9 \\ 9 \\ 6 \\ 11 \\ 13 \end{array}$	$\begin{array}{c} 4\\ 4\\ 3\\ 1\\ 2\\ 36\\ 65\\ 84\\ 129\\ 87\\ 118 \end{array}$	$1 \\ 2 \\ 1 \\ 2 \\ 1 \\ 1 \\ 3 \\ 26 \\ 50 \\ 37 \\ 41 \\ 28$	6 2 1 2 	$10\\13\\14\\8\\24\\36\\45\\41\\35\\22\\42$	$\begin{array}{c} 4\\ 12\\ 6\\ 11\\ 6\\ 10\\ 13\\ 15\\ 13\\ 12\\ 19\\ 15\end{array}$	$\begin{array}{c} 20 \\ 15 \\ 16 \\ 18 \\ 23 \\ 65 \\ 147 \\ 136 \\ 128 \\ 139 \\ 139 \\ 136 \\ 136 \\ \end{array}$	$59 \\ 70 \\ 53 \\ 67 \\ 54 \\ 114 \\ 376 \\ 429 \\ 548 \\ 544 \\ 505 \\ 543 \\ 544 \\ 543 \\ 543 \\ 543 \\ 543 \\ 543 \\ 543 \\ 543 \\ 544 \\ 543 \\ 543 \\ 543 \\ 544$

NorE .- In Prince Edward Island, only one divorce was granted between 1868 and 1924; this was granted in 1913. *One granted by Dominion Parliament. †Two granted by Dominion Parliament.

	11.	Divorces Granted in	Canada in 1923 and 1924,	by	Provinces and Sex of Plaintiff.	(Final Decrees)
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Provinces	To Hu	isbands	To W	ives	Total	
	1923	1924	1923	1924	1923	1924
Prince Edward Island Nova Scotia New Brunswick. Quebec Ontario. Manitoba Saskatchewan. Alberta British Columbia. Canada.	$ \begin{array}{r} $	$ \begin{array}{r} 20 \\ 7 \\ 5 \\ 49 \\ 35^{*} \\ 22 \\ 65 \\ 62 \\ \hline 265 \\ \end{array} $	8 9 7 60 32 16 29 74* 235	22 8 65 42* 6 53 74* 278	$\begin{array}{c} & & & & & \\ & & & & & \\ & & & & & \\ & & & & & \\ & & & & & \\ & & & & & & & \\ & & & & & & \\ & & & & & & \\ & & & & & & \\ & & & & & & \\ & &$	42 15 13 114 77† 28 118 136* 543

*One granted by Dominion Parliament.

†Two granted by Dominion Parliament.

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Comparisons with other Countries

In Table 3 are added comparative figures of divorces and marriages in England and Wales, Australia, New Zesland and Canada for the years 1916 to 1922 or 1923. The percentage of divorces to marriages, taking place in the same year, as here given, is seen in the case of England and Wales to have increased during eight years from 0.35 per cent to 0.91 per cent; in Australia from 1.53 per cent to 2.81 per cent; in New Zealand from 2.41 per cent to 5.20 per cent and in Canada from 0.1 per cent to 0.8 per cent. Similar figures for the United States, where, of course, the total number of divorces is unusually large owing to the comparative ease with which they may be obtained, show increases from 27,919 in 1887 to 42,937 in 18906, 72,062 in 1906, 12,036 in 1916 and 148,815 in 1922. The percentage of divorces to marriages increased from 10.8 to 13.2 during the years 1916 to 1922, divorces alone during this period increasing by 33 per cent.

III. Number of Marriages and Divorces in England and Wales, Australia, New Zealand and Canada in Recent Years

	England and Wales		Australia		New Z	ealand	Canada	
Year	No. of marri- ages	No. of divorces	No. of marri- ages	No. of divorces	No. of marri- ages	No. of divorces	No. of marri- ages	No. of divorces
1916 1917 1918 1919 1920 1921 1922 1922 1923 1924	$\begin{array}{c} 279,846\\ 258,855\\ 287,163\\ 369,411\\ 379,658\\ 320,852\\ 299,524\\ 292,408 \end{array}$	990 703 1,111 1,654 3,090 3,522 2,588 2,667	$\begin{array}{c} 40,289\\ 33,666\\ 33,141\\ 40,540\\ 51,552\\ 46,869\\ 44,731\\ 44,541\\ \end{array}$	617 652 697 891 1,060 1,405 1,258	8,213 6,417 6,227 9,519 12,175 10,635 9,556 10,070	$198 \\ 221 \\ 203 \\ 337 \\ 471 \\ 513 \\ 523 \\ 524 \\ \ldots$	$65,000^*$ $60,000^*$ $55,000^*$ $70,000^*$ 80,931 69,732 64,420 $65,500^*$	$6'_{5}$ 11 $37'_{42'}$ 54' 54' 50 54

*Estimated.

ROUYN BRANCH LINE INQUIRY

Hon. Mr. BLONDIN inquired of the Government:

1. Are there presently negotiations engaged between the management of the Canadian National Railway and the Province of Quebec with reference to the construction of a branch line from a point at or near O'Brien to the Township of Rouyn in the Province of Quebec?

2. If so, to what extent have these negotiations progressed and by what special authority are such negotiations being conducted by the management of the Canadian National Railway and the Government of the Province of Quebec?

Hon. Mr. DANDURAND: Honourable gentlemen, I am advised by the Department of Railways and Canals that a private company has secured a charter from the Quebec Legislature for the construction of a line of railway between the mining district of Rouyn and the National Transcontinental Railway. The railway in question is to be constructed by this company, and under the Railway Act it is competent for the Canadian National Railway Company, with the approval of the Governor in Council, to lease such a line on terms to be decided upon.

Hon. Mr. GORDON inquired of the Government:

1. Has the Board of the Canadian National Rallways entered into an agreement with the Rouyn Mines Railway Company or any other railway company or are they negotiating an agreement with any company in respect to (a) the construction of railway lines; (b) leasing of lines, or (c) the operation of lines, in the Rouyn Mining District, Province of Quebec.

Hon. Mr. WILLOUGHBY.

2. If so, (a) what proposed lines are considered; (b) what is the nature of the agreement?

Hon. Mr. DANDURAND:

- 1. (a) No.
 - (b) No.(c) No.
- 2. Answered by No. 1.

PRIVATE BILL

REMISSION OF PARLIAMENTARY FEES

Hon. Mr. ROBERTSON moved:

That the Parliamentary fees paid upon the Bill W3, intituled: "An Act to change the name of 'The Dominion Woman's Christian Temperance Union' to 'Canadian Woman's Christian Temperance Union'," be refunded to the petitioners, less printing charges.

Hon. Mr. BARNARD: I would ask the honourable member who is making this motion to give us an explanation. On the face of it, it is a little difficult to see why this particular institution should have its fees refunded any more than any other private institution. There are in this country a great many people who do not agree with the principles of this particular organization, and I would like to know what is the situation with regard to it.

Hon. Mr. ROBERTSON: In reply to the question raised by my honourable friend from Vancouver, I may say that I believe it to be a well-established practice in this House to refund fees when the organization concerned is not one conducted for profit. This is a purely philanthropic undertaking by people who have certain views on the question of temperance. I think the request is exactly in line with the action taken by this House on other occasions in similar instances. That is all the information I can give my honourable friend.

Hon. Mr. BARNARD: In reply to the honourable gentleman, I would simply say this. These ladies, though I have no doubt they are quite sincere in what they consider an attempt to better humanity are carrying on highly controversial propaganda in this country. Only the other day the Private Bills Committee passed a Bill for the incorporation of a charitable institution, and I heard of no application made in that connection for a refund of fees. I for my part wish to enter my protest in this case. I do not consider that this is a proper organization to have its fees remitted. If any association of licensed victuallers beneficial to its members, or of brewers or distillers, or some other equally objectionable people, came before this House and asked for a remission of fees, I do not think they would be treated with very much consideration. I feel that the situation is pretty much the same with regard to these people, and I say that they are conducting highly controversial propaganda throughout this country. I for one enter my protest.

Hon. Mr. ROBERTSON: May I point out in answer to my honourable friend's observation that the Bill was not one for the purpose of creating a new organization, but had for its object simply to alter the name of the organization, because a certain complication had arisen, owing to the fact that the term "Dominion" might refer to any Dominion within the British Empire. It was not for the special benefit of this particular organization that the Bill to change the name was introduced. Therefore it does not appear to me to be on all fours with the presentation of a Bill for a new organization.

Right Hon. Sir GEORGE E. FOSTER: I hope that I have not misunderstood my honourable friend's (Hon. Mr. Barnard's) allusion. In a certain part of his remarks he was speaking of the Women's Christian Temperance Union, and then he referred to licensed victuallers and brewers and "other equally objectionable people." Does the "equally objectionable" refer to a comparison between the licensed victuallers and the brewers, or a comparison between these two bodies and the Women's Christian Temperance Union? I am in doubt as to what he really meant.

Hon. Mr. BARNARD: I leave it to the honourable gentleman. He can decide for himself which he thinks is the more objectionable. I have no doubt myself.

The motion was agreed to.

RAILWAY FREIGHT RATES BILL FIRST READING

Bill 181, an Act to amend the Railway Act, 1919.—Hon. Mr. Dandurand.

SUNNYBRAE-GUYSBOROUGH BRANCH LINE BILL

FIRST READING

Bill 210, an Act respecting the construction of a Canadian National Railway Line between Sunnybrae and Guysborough in the Province of Nova Scotia.—Hon. Mr. Dandurand.

MOTION FOR SECOND READING POSTPONED

Hon. Mr. DANDURAND: If there is any objection to our taking the second reading—

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend that we take a vote on the second reading. It would be the easier way of dealing with the subject.

Hon. Mr. DANDURAND: Is my honourabl friend ready to take the vote now?

Hon. Sir JAMES LOUGHEED: Yes.

Right Hon. Sir GEORGE E. FOSTER: Question.

Hon. Mr. DANDURAND: Then I move that the Bill be read a second time to-morrow.

Some Hon. SENATORS: Oh, oh.

Hon. Sir. JAMES LOUGHEED: Safety first.

Hon. Mr. DANDURAND: Well, I believe that my honourable friend may need a little more light. I am somewhat afraid that he may have remained in the state of mind in which he was twelve months ago, and I may be able within the next twenty-four hours to bring before him some arguments that may incline him to favour the second heading.

Hon. Sir JAMES LOUGHEED: You will have to work pretty hard.

Right Hon. Sir GEORGE E. FOSTER: Why such a waste of effort?

The motion for the second reading was postponed.

SATURDAY SITTINGS MOTION

Hon. Mr. DANDURAND: Honourable gentlemen: It is my painful duty to move that when Senate adjourns this evening it do stand adjourned until to-morrow afternoon. There is such an amount of work before us that we will have to sit to-morrow. The Commons will also be sitting.

Hon. Sir JAMES LOUGHEED: Why not say to-morrow morning?

Right Hon. Sir GEORGE E. FOSTER: Take the cool of the day.

Hon. Mr. DANDURAND: Then I move that when the Senate adjourns to-day it do stand adjourned until 11 o'clock to-morrow morning, and that there be two distinct sittings of the House.

The motion was agreed to.

NIPISSING RAILWAY IN QUEBEC INQUIRY FOR RETURN

On the Orders of the Day:

Hon. Mr. GORDON: I would like to ask the honourable leader when I may expect the papers called for by my motion of Wednesday.

Hon. Mr. DANDURAND: My honourable friend is a little exacting. I know of members of the Senate who have been waiting for weeks for their returns.

Hon. Mr. GORDON: But it is obvious information.

Hon. Mr. DANDURAND: On what does it bear?

Hon. Mr. GORDON: It is this:

That an order of the Senate do issue for a return to include copies of all correspondence relating to the construction or obstruction of the Nipissing railway to the Province of Quebec.

Hon. Mr. DANDURAND: This may represent a pretty heavy record, which may need to be copied. I will draw the attention of the Secretary of the Department to the desire of my honourable friend.

Hon. Mr. GORDON: I would not hurry my honourable friend, only that the information is wanted for the purpose of debate.

HOME BANK DEPOSITORS RELIEF BILL CORRECTION

On the Orders of the Day:

Hon. Mr. ROBERTSON: May I refer to what I said on Tuesday last concerning an unfortunate omission that occurred in the report of my remarks of Monday. I have no desire to do any injustice to our good friends the reporters in this House. I have had the opportunity of perusing the original manuscript record as made by them and transmitted to the Printing Bureau, and I find that the words were correctly reported, and that the mistake did not occur on the part of the staff here.

Hon. Mr. DANDURAND.

QUEBEC HARBOUR ADVANCES BILL CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 160, an Act to provide for further advances to the Quebec Harbour Commissioners.

Hon. Mr. Belcourt in the Chair.

Hon. Mr. DANDURAND: I would ask the Deputy Minister of Marine and Fisheries to come to the floor, with General Tremblay.

Section 1 was agreed to.

On section 2—\$5,000,000 may be advanced to Harbour Commissioners for terminal facilities:

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend what the estimate is, if any estimate has been prepared, for the completion of these works.

Hon. Mr. DANDURAND: The estimate is \$5,100,000, and it covers various items of dredging, etc. I will lay on the Table a plan indicating the work to be done. I would ask honourable gentlemen to gather around the Table in order to see this plan.

(After conference around the Tabie):

Hon. Mr. DANDURAND: I will proceed to give the cost of this improvement. For dredging, \$1,533,000; cribs and bulkheads, \$2,800,000; freight sheds, \$200,000; service docks and stages, \$125,000; electric lighting, \$3,000; roadways, \$65,000; riprap from excavation, \$125,000; water mains, \$150,000. This covers the \$5,100,000.

Hon. Sir JAMES LOUGHEED: Are we to understand that this appropriation, when applied, will cover the entire scheme? I was under the impression that this was simply part of a general scheme which would ultimately be carried out at an expense of \$20,000,000 or \$30,000,000. I want to know if there is any larger scheme in contemplation.

Hon. Mr. DANDURAND: This is but the opening of a plan which will develop logically according to the needs which appear from decade to decade, just as the Montreal Harbour Commissioners obtained from European experts of hight merit and large experience a complete plan for general development for years.

Hon. Sir JAMES LOUGHEED: Instead of from decade to decade, you mean from year to year, do you not?

Hon. Mr. DANDURAND: My honourable friend is right when he says from year to year, because this will run over five years. But when it is done it is hoped by the Harbour Commissioners of Quebec that freight will come in such quantites that Parliament will insist upon their going on and developing their scheme. Surely my honourable friend would not want the port to stop there.

Hon. Sir JAMES LOUGHEED: Oh, no, not for a moment.

Hon. Mr. DANDURAND: I give my honourable friend the general plan.

. Hon. Sir JAMES LOUGHEED: It seems to me the Government must have given some serious consideration to what will be the ultimate scheme. They are not entering lightly, I apprehend, upon an expenditure of \$5,000,000 on a scheme of this kind without taking into consideration its application to the general scheme. There are two things I should like to know: one is whether this will carry out a complete unit in itself, not dependent on any other work.

Hon. Mr. DANDURAND: So I am informed. When this \$5,000,000 is expended on the work as projected and described, it will be complete in itself. There will be wharves, sheds, and railway tracks joining the Canadian Pacific and the Canadian National to this water frontage.

Hon. Sir JAMES LOUGHEED: Not depending upon any other work?

Hon. Mr. DANDURAND: No, it will stand complete by itself.

Hon. Sir JAMES LOUGHEED: Secondly, can my honourable friend give me an approximate idea—I presume that is all that can be given—of what the cost of the entire scheme will be, assuming that everything goes lovely and that all expectations are met, and that these enormous boats will come down the St. Lawrence according to the expectations that my honourable friend from Montarville expressed yesterday.

Hon. Mr. DANDURAND: My answer is that this plan projects a development that, according to the needs, may take 25 years to develop. The figuring as to the cost of the various steps that will need to be taken has not yet been done; it must be considerable; but, as my honourable friend well knows, it will not require much to force this work upon the Harbour Commission if there is the least hope of a fair freight rate from Armstrong to Quebec.

Hon. Sir JAMES LOUGHEED: That can be fixed to-morrow.

Hon. Mr. DANDURAND: That may be fixed to-morrow. In the meantime we will take this step with the knowledge that we are adding a self-contained work sufficient to maintain itself and develop the port of Quebec for the next five or ten years.

Hon. Sir JAMES LOUGHEED: So far as freight rates from Armstrong to Quebec are concerned, you already have facilities to meet the requirements of the trade.

Hon. Mr. CURRY: May I ask how many ships the proposed development will accommodate?

Hon. Mr. DANDURAND: This will provide accommodation for six large ocean ships, in addition to what we have already got. It will provide for six more berths.

Hon. Mr. GORDON: Am I right in assuming that the great necessity for this is to enable ships of very large capacity to come in?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. GORDON: I have been led to believe from some of the evidence given before the Ocean Rates Committee that the tendency is to use ships of smaller capacity, particularly for freight—ships of about 10,000 tons. I understand that it is now considered that such ships can be operated more cheaply than larger boats. That, I understand, is the reason the late Sir William Petersen gave for intending to use boats of that capacity.

Hon. Mr. TURRIFF: I understand from the explanations made by the leader of the Government that this new work is being started largely for the purpose of carrying wheat.

Hon. Mr. DANDURAND: No, it is not: my honourable friend is in error. The present development is for large passenger vessels, most of which carry freight as well as passengers, and which come up to Quebec and cannot go further.

Hon. Mr. TURRIFF: My honourable friend holds out the hope that by means of lower rates wheat will be brought down to Quebec from Armstrong. That certainly would accomplish a great deal; but my honourable friend knows that the Minister of Railways in the Government of which my honourable friend is an ornament, does not propose to do that, and says, "Why should we do it?" To a certain extent he is right in believing that wheat can never be brought that distance by rail unless they go back to the old rates, which they have no intention of doing. As far as I can see, the accommodation at Quebec is now sufficient for the big passenger ships There are seven berths there now to accommodate those boats, and there is no prospect of a large amount of freight coming down on the Transcontinental owing to cheaper rates.

Hon. Mr. DANDURAND: I desire to repeat that the question of wheat coming from the West is entirely independent of the causes for the present requirements.

Hon. Sir JAMES LOUGHEED: How many of the large liners will this accommodate?

Hon. Mr. DANDURAND: Six more berths for the large liners.

Hon. Mr. McMEANS: Did I not understand the honourable gentleman to say that there was some hope that the harbour of Quebec would succeed in getting very large grain shipments from the West?

Hon. Mr. DANDURAND: No. I simply answered an argument which came from some honourable gentleman, that if this question of rates were settled favourably to the port of Quebec, it would add enormously; but it is not one of the factors that enter into the present proposal.

Hon. Mr. McMEANS: The honourable gentleman has, I think, no hope in that regard.

Hon. Mr. DANDURAND: We discussed that yesterday, my honourable friend and I. My only hope is based on the fact that there is a Bill, which may be now before us, empowering the Railway Commission to fix rates, and that in that Bill there are directions to the Railway Commissioners to equalize the rates. Something may result which will be favourable to the port of Quebec, but I do not know.

Hon. Mr. McMEANS: Was not that the situation prior to the passing of this last Act? Did not the Railway Commission have the right to fix the rate? The only reason I am asking this is that I would not like any honourable gentleman to indulge in a hope which, so far as I can see, is not likely to be realized. I am one of those who are extremely anxious to see grain go down to the port of Quebec, because it would be of great benefit to the West, and if grain could be shipped from Winnipeg at a lower rate, it would solve some of the problems with which we are now struggling.

Hon. Mr. DANDURAND: Will my honourable friend allow me to put to him a question? Here is something that I cannot Hon. Mr. TURRIFF.

understand. My honourable friend says that a lower rate from Winnipeg to Quebec would be very favourable to the West.

Hon. Mr. McMEANS: Yes.

Hon. Mr. DANDURAND: If that is so, why does not the West see that its grain is sent through Quebec and that favourable rates are granted? I understand that the West has shown complete indifference to the use of the Transcontinental?

Hon. Mr. WILLOUGHBY: No, no; it is the exporters. Once the grain leaves the hands of the producer he has no more control over it. Nor is it controlled by even the ordinary grain-buyer in Winnipeg. The control is limited to exporting houses.

Hon. Mr. DANDURAND: I feel convinced that if the West considered it advantageous to the producer to send wheat by that short route, we would hear some noise around these Parliament buildings.

Hon. Mr. McMEANS: If the honourable gentleman lived in the West he would hear plenty of noise about these freight rates. The question is agitating all the Boards of Trade in the cities, towns and villages of the West. Deputations are coming down, and protests are being made every day, about the railroad rates in the West.

Hon. Mr. DANDURAND: But I would like my honourable friend to keep his mind on the Transcontinental.

Hon. Mr. McMEANS: That is what I am trying to do.

Hon. Mr. DANDURAND: I believe that when the wheat reaches Winnipeg, it has left the hands of the producer and he is no longer interested.

Hon. Mr. McMEANS: Then it seeks the cheapest route.

Hon. Mr. DANDURAND: If the producer were interested, he would try to see that his wheat were routed to Quebec. But there must be some valid reasons for the wheat going to Port Arthur and Fort William.

Hon. Mr. McMEANS: I want to say just one thing. I have no wish to delay the House. The Quebec Harbour Commission, of which my esteemed colleague from the Gulf (Hon. Mr. L'Espérance) was at the time Chairman, made application to the Railway Commission. The Commission investigated the rate, and here is what one of the Commissioners at that time said:

Mr. Commissioner Rutherford, as reported at 2756, says: "This is something that has to be general in a very careful way. When we consider the elevator systems at Fort William and Port Arthur, the tremendous machinery created for the movement of that grain crop to introduce a revolutionary method like the making of a special rate on any one road would mean disturbing the whole movement of grain, such a disturbance as would bring about economic disaster for the time being."

There was the judgment of one of the Railway Commissioners when the Quebec Board of Trade made a very strong protest against the raising of the rate from Armstrong to Quebec from 6 cents a bushel to 25 cents, from which it was afterwards reduced to 20.75 cents. I would be very glad to have some light on this point. While the rate remains at 20.75 cents a bushel, that route cannot compete, and the grain cannot be shipped that way. That is the opinion of one who is not an expert; but I would not like anyone in this House to indulge in the hope that if this immense sum of money is spent on the harbour of Quebec, it will be any encouragement whatever to ship from the West via the Transcontinental, in view of the rate from Armstrong and in competition with the rates via Port Arthur and Fort William.

Hon. Mr. DANDURAND: If my honourable friend will read my remarks on the second reading, he will find that I did not give that factor as an inducement.

Hon. Mr. REID: Honourable gentlemen, this scheme, as I understand, is practically the work that was proposed when the Transcontinental was first opened to Quebec.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. REID: A similar Bill was before this House a year or two ago, and I think it was for a similar amount. At that time I urged that the money be expended on work just such as is now proposed instead of on the St. Charles river. It was submitted to us then that piers, etc., had to be built in order to prevent silt from washing in. I believe that I was right at that time. The money that has been spent on the St. Charles would have been saved if the work had been done where it is now proposed to do it.

Hon. Mr. DANDURAND: Will my honourable friend allow me? The money that was intended for the development on the St. Charles river was not expended. There was some money spent on dredging and maintenance, but it was only a part and was earmarked for that purpose. The sum of \$500,-000 was appropriated for the continuation of the wharves towards the railway bridge, but that work was not done.

Hon. Mr. REID: At all events, a large amount of money was spent there that I think would have been saved. However, with reference to the work now proposed, I have always been under the impression that where the wharves are now located is the right place. I think there is no doubt that is where the wharves should be. But there will necessary follow other developments, and the time may come when an elevator will be required, and in that case it will of course be built.

I do not think this construction will assist the West to have grain shipped more cheaply via Quebec. The railways can never compete with water transportation. The rate by lake and rail from Winnipeg down to the St. Lawrence is so much less than the railway rate that the railway cannot possibly compete. But am I not right in coming to this conclusion, that after you provide wharves it will be some time before the development at Quebec will require the construction of another elevator? The present elevator will suffice for a number of years?

Hon. Mr. DANDURAND: Certainly.

Hon. Mr. REID: I am right in that. An elevator was included in the original scheme. Am I right also in this further respect? It was intended in the other scheme that a large tunnel should be built from one part of the city of Quebec to connect with the terminals on the other side. Although the distance across is only half a mile, a train would have to go 16 miles to go around; that is, it would have to go up to the bridge and then down. But I do not see that there would be as yet much necessity for carrying freight across there. Am I right, then, in coming to this conclusion, that in the scheme now proposed the Government have no intention of proceeding with the tunnel?

Hon. Mr. DANDURAND: None whatever.

Hon. Mr. REID: Then the proposition simply comes down the building of wharves and sheds for package freight, and an elevator is not to be built until further development is necessary. Am I right in my ccnclusion?

Hon. Mr. DANDURAND: My honourable friend is absolutely right in his surmise.

Hon. Mr. ROBERTSON: Do I understand my honourable friend to say that the honourable member from Grenville is right in assuming that it is proposed to build an elevator on the new site?

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. ROBERTSON: That is what the honourable member from Grenville said.

Hon. Mr. REID: No.

Hon. Mr. DANDURAND: No. I answered that part of my honourable friend's question at the beginning. I said there was no intention whatever to build an elevator at the present time.

Hon. Mr. ROBERTSON: Then it is obviously the intention to maintain the present harbour facilities in the St. Charles basin.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. ROBERTSON: My honourable friend, I think, two years ago came before this House with a request for a substantial vote, which he obtained, for the purpose of improving and enlarging the harbour as existing at that time. May I ask now for the information that I had hoped to get yesterday? May I ask the honourable gentleman just why it is that the harbour development in the St. Charles basin, that is, on the Beauport side of the harbour, which, as we know, is not one-third completed, is not touched at all. A thousand acres of land could easily be made available there by the dredging of the harbour and the building of a revetment wall. Why is it that that harbour development is being abandoned, when it is obviously going to be necessary to continue to maintain that harbour as well as the new one?

Hon. Mr. DANDURAND: The plan of development at that place has been abandoned because it has been found that it would cost more money to develop that part of the port than to proceed with the present scheme, and it would be far less satisfactory, because of the sands that are deposited every time the tide comes in, and especially when certain winds are blowing. The northeast winds of Quebec are famous throughout the province. Experience has demonstrated that it would be more costly to build and more costly to maintain.

Hon. Mr. GORDON: Honourable gentlemen, if it were possible to transport grain over the Transcontinental to Quebec, I am sure that a vote of this amount, or a very much larger one, would pass this House in very few minutes; but it seems to me it is only playing with words and with the matter at stake for any person to say that grain can be economically brought from the West to Quebec over the Transcontinental, in view of the evidence which we had last year on the subject of rates, yhich the Canadian National claimed were 50 per cent lower than American rates and on which it had lost over \$5,000,000. If a proportionate rate were given on grain from Armstrong to Quebec, what a loss it would mean to the country in addition to that! Therefore I do not see how it can be Hon. Mr. DANDURAND.

imagined for a moment that it is ever going to be possible to transport grain economically by that route.

Hon. Mr. DANDURAND: Of course, I have no desire to limit the discussion of this Bill at the present stage, but we discussed these questions on the second reading. I stated then, and I repeat, that the possibility of wheat shipments going via Quebec has not been a factor in determining the Government to present these proposals. They are based on the fact that we are at present confronted with the problem of arranging facilities for the upper St. Lawrence ports, Quebec and Montreal, whose interests are at present linked together, because of the fact that large vessels must stop at Quebec, and the water level at certain seasons has gradually lowered to such an extent that steamers of 27-foot draft have been obliged to lighten their cargoes at Montreal and take on their complement at Quebec. This difficulty may be attributed to the diversion of water at Chicago and to other causes. The Shipping Federation have felt that it was the proper thing to equip the port of Quebec, in view of the present emergency, and the fact that the accommodation at Quebec is sometimes used to its full capacity. This scheme will take five years to complete, and should be started now, and the Shipping Federation have declared it to be most urgent.

Hon. Mr. McMEANS: I desire to ask the honourable gentleman just one question, and I will not trouble him further. Do I understand the situation to be this? There is a harbour now fully equipped with elevators, and there is to be a new harbour started somewhere else. The work is to be commenced this year, and the expenditure of money is to be continued, and then the old harbour will be abandoned, to all intents and purposes.

Hon. Mr. DANDURAND: What old harbour? No; the old harbour is not to be abandoned.

Hon. Mr. McMEANS: I mean, it will be to a certain extent, because if you are to keep on spending up to \$30,000,000 on a new harbour, the old one will be out of date. It is built in the wrong place.

Hon. Mr. DANDURAND: But my honourable friend must not forget that these developments will only go on as they become necessary.

Hon. Mr. McMEANS: But is it a fact that the present harbour has been built at the wrong place? Hon. Mr. DANDURAND: It is serving to its full capacity.

Hon. Mr. McMEANS: Cannot I get a straight answer to that question? Is the harbour at the city of Quebec built at the wrong place?

Hon. Mr. BEAUBIEN: I do not know that we need to make an admission like that. The former Government was responsible first of all.

Hon. Mr. McMEANS: I do not care about that.

Hon. Mr. DANDURAND: My honourable friend might ask the honourable gentleman from the Gulf (Hon. Mr. L'Espérance) the reason for former developments. The developments around the St. Charles river have been in progress for the last 30 or 40 years. It is not a question of yesterday; it is a matter of long tradition. According to the capacity of the ships, it seemed to be the proper place for the development of the port; but conditions have changed completely, and it is now felt, on account of the large draft vessels, it should be developed at the place shown on the map.

Right Hon. Sir GEORGE E. FOSTER: Most of the points have been taken up with the exception of this; whether it is feasible to get accommodation for railway tracks and the transfer of freight at the place projected along the river bank, with its narrow margin between the cliffs and the river. I have heard that question raised as an argument for wider spaces, as against the present proposition.

Hon. Mr. DANDURAND: My answer is that from the projected wall to the foot of the cliff is a distance of over 700 feet, which is a larger space than the width of the Montreal wharves.

Hon. Mr. L'ESPERANCE: I think I might add that these plans have been thoroughly examined and gone into by the president of the C.P.R. and the C.N.R., and before they gave their endorsement to them they must have consulted their engineers. We would not expect Mr. Beatty or Sir Henry Thornton to approve of such plans without doing so. The Shipping Federation thought there was need for further development, and they considered these plans the best that could be devised. The Federation says that not only are the works needed, but they are urgent, as a national necessity.

Right Hon. Sir GEORGE E. FOSTER: My understanding was that the Shipping Federation made its plea on the condition that the state would finance the expenditure; but I have not been able to gather, either from Sir Henry Thornton's letter or from that of the president of the C.P.R. that they are very greatly enamoured of or are pressing for this projected improvement.

Hon. Mr. L'ESPERANCE: They do approve of it.

Right Hon. Sir GEORGE E. FOSTER: They say they will co-operate if it is made, but they are not nearly so definite as the Shipping Federation on that point.

Now, I want to go to another point. My honourable friend does not throw me off my pins by referring me to the opinion of engineers. Will anybody in Canada ever know the useless expenditures that have been put on this country by engineers? Take the very subject we are discussing to-day: how often during many years, have I had it dinned into my ears that the best place for the development of Quebec was the St. Charles river, with its fresh water, no barnacles, plenty of room on each side, the winds blowing in and out, and always keeping things clear-That was surely the proper place for the improvement. Every one of your engineers in all those years examined it, slept over it, incubated, and came to the conclusion that that was the place where the improvements ought Yet the very three elements to be made. which have knocked out their conclusion have not been brought about in later times: there was the river with its silt; there was the breeze or storm from the ocean to drive it back, and there was the water which was the carrier of the silt. All those things were there, and yet you have those engineers-

Hon. Sir JAMES LOUGHEED: Working in favour of the dredging contractor.

Right Hon. Sir GEORGE E. FOSTER: Yes, and you have the engineers through all those years cocksure that that was the place; and there is where we put our money. Now, have the engineers been reorganized within the last two or three years? I do not think the present engineers are any more sturdy than their predecessors. Are they infallible to-day? They come down and say: "All our predecessors were wrong: that is the wrong place; we never can carry on there; this is the proper place for it;" and they give their conclusions, and we are asked to accept them holus bolus, and to launch our heavy expenditures on them.

I am troubled and tormented with doubts that the present race of engineers is not a whit wiser than their predecessors, and that they may be taking us into an expenditure of which their successors five or ten years hence will say: "On, no. they were quite wrong." That is what is troubling me. If we only had an authenticated Biblical set of engineers, who, when they made their conclusions, made them as infallible as the Pope makes his decrees, then I would go on with a lighter heart.

Now, what is the use of our playing around that grain business? My honourable friend knows in his heart that Quebec can never under present geographical conditions, which will not change in his time or mine—

Hon. Mr. DANDURAND: I did not raise that question; I was simply answering a query; I was asked in plain terms if I thought the routes would be altered, and I had to answer.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend must know that there is no clear prospect at all of grain being carried by that route and of Quebec competing with other ports. So you are not making this expenditure in the hope of getting a large grain trade that you could not otherwise get?

Hon. Mr. DANDURAND: No.

Right Hon. Sir GEORGE E. FOSTER: Then you are making an expenditure of \$5,-000,000 for what purpose? Taking present facilities, is there sufficient prospect of adding trade to make it possible for us with a clear conscience to undertake \$5,000,000 of new expenditure? That is the point that comes to me, and I have to decide that before 1 can say whether I will vote for this or whethen I will have to vote against it.

Hon. Mr. DANDURAND: My honourable friend voted against it yesterday, so that his conscience need not trouble him.

Right Hon. Sir GEORGE E. FOSTER: I do not know; I trailed with me a sturdy adherent of my honourable friend to minister to his intellectual instruction, but I have no recollection of voting either one way or the other.

Hon. Mr. DANDURAND: When he took away a supporter of the scheme he was voting.

Right Hon. Sir GEORGE E. FOSTER: I suppose that if I had thought about it I would have come to the conclusion that my honourable friend opposite would have voted for the scheme.

Hon. Mr. L'ESPERANCE: I made this matter as clear yesterday as I could, according to the way I see it. I am going to an-Hon. Sir GEORGE FOSTER. swer the remarks of the junior member for Ottawa (Right Hon. Sir George E. Foster), with regard to mistakes that he claims have been made by engineers.

When Sir William Price, the first Chairman of the Quebec Harbour Commission after the reorganization in 1912-13, took charge of that port, there was practically nothing but a breakwater and a basin; there were no facilities for large draft vessels. He got the best engineers he could get from Montreal and Quebec. The chief engineer of the port of Quebec at that time, Mr. Boswell, was one of the most competent engineers. I think, that ever passed through Canada, having had a very long experience with ports. Then he got the firm of Messrs. Coode, Matthews, Fitzmaurice & Wilson, of London, who sent two of their members to inquire as to the best way of developing and equipping the port of Quebec. After looking at the works, they decided that the best place to develop the port of Quebec would be exactly where these improvements are to be made. I have read their report many times. Those engineers said: "You have certain works there, and have spent considerable sums of money already; we think that, until the port of Quebec develops to a large extent through the traffic it will get, it would be best for you to start the development here." At that time it was not realized that the big boats would have to stop at Quebec. There were very few boats that were over 25 feet draft, and we did not realize that so many large boats would in the next decade have to make Quebec their terminal. It was believed that Montreal would get all the large vessels as well as the small ones. The engineers told us "You can either complete the basin in the St. Charles river towards Beauport, and continue your work, or you can go back to the other scheme and develop further at Wolfe's Cove." That is what is done today. At that time we had a big plan to dam the River St. Charles, a work that was to cost \$3,000,000 or \$4,000,000, on which we spent \$1,000,000, and then stopped it on account of the war. Surely you are not going to spend \$4,000,000 in damming the river St. Charles, and then continue the development of the port, for that would double and treble the expense. There has been no mistake of engineers: we are doing exactly what they recommended in 1912 and 1913.

Hon. Mr. TURRIFF: I think we have heard enough of excuse for this expenditure on the ground that the C.P.R., the C.N.R. and the Shipping Federation favour the scheme. Why would they not favour it? It is not going to cost them anything, and naturally they approve of it. However, this afternoon the atmosphere has been somewhat cleared, and I understand my honourable friend the leader of the Government to make the statement that this expenditure is proposed to accommodate the large ships that bring in our immigrants.

Hon. Mr. DANDURAND: My honourable friend is in error; I did not say that.

Hon. Mr. TURRIFF: That is what I understood my honourable friend to say. At all events, we are bringing in 100,000 people a year, and chiefly transferring them to the United States. If we expend even \$5,000,000 on this new work, the interest at 5 per cent on that amount would be \$250,000 annually, which would be \$2.50 for every head of immigration. Now, that is a lot of money to spend. The boats carrying immigrants come to Quebec now: I have been there and have seen them discharge. It seems to me there has been no justification brought forward for the tremendous amount of money demanded, for there is no doubt that when the work is done and the \$5,000,000 expended. the improvements will not be completed.

Section 2 was agreed to.

On section 3—interest on debentures during construction to be charged to capital account:

Hon. Sir JAMES LOUGHEED: Could my honourable friend give us some idea of what the revenues of this port will be? We are making particular provision for the payment of interest on the debentures, and that implies that the interest will be paid.

Hon. Mr. DANDURAND: What are the facts in regard to St. John, Fort William and Port Arthur?

Hon. Sir JAMES LOUGHEED: I do not know about those places, but I understand that we have spent about \$12,000,000 in Quebec, and that there is due in interest about \$8,000,000. What are the additional hopes my honourable friend may have as to the payment of interest on this expenditure?

Hon. Mr. DANDURAND: That question was asked last evening and I answered that I could not say. I stated that there were two kinds of ports in Canada: those administered by Commissions for the state, and others administered by the state direct, through the Department of Public Works. Those that have the advantage of being administered direct by the Department have no interest charged against them, because it is a gift; but when a port has a Commission, bookkeeping starts, and interest is

charged, but the result is the same in both cases.

These are public works that must be carried on by the state. It is incumbent on the state to equip the ports according to the needs of to-day and to-morrow. I hope that my honourable friend and I will live long enough to go to the city of Quebec and gaze upon that port and say: "Well, we did right in developing this port; look at the splendid array of ships that are frequenting it."

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend if it is the intention of the Government to take the interest out of the principle? I see that provision is made in line 29 that:

The said interest may be paid out of the said sum of five million dollars.

It seems to me that that is a very satisfactory way of securing the interest, and I direct the attention of the Government to this, so that they will not overlook it.

Hon. Mr. DANDURAND: I must tell my honourable friend that that is a standard clause.

Hon. Mr. GORDON: I would like to ask my honourable friend if the Government has any money to loan to individuals on the same basis?

Hon. Mr. DANDURAND: I think so; wherever there is a necessity, the state will do its part.

Right Hon. Sir GEORGE E. FOSTER: Will the \$5,000,000 complete the whole business, and also pay the interest during the five years, or will there be an additional vote in order to recoup the country for the payment of interest?

Hon. Mr. DANDURAND: If fate wills that I shall be in this seat in five years, I shall then be able to answer my honourable friend.

Right Hon. Sir GEORGE E. FOSTER: I think that is about as certain as my honourable friend usually is.

Section 3 was agreed to.

On section 4—plans, etc., to be approved before work is commenced:

Hon. Sir JAMES LOUGHEED: I wish to refer to a matter which perhaps should have been brought up under section 2. There is a policy involved in these Harbour Bills, to which I have taken exception in former years; that is, handing money over to a Commission to carry out the works entirely upon their

own responsibility. I am not casting any reflection upon the Harbour Commission of Quebec, but it seems to me an anomaly that the Public Works Department should hand over a very large sum of money, from which they have no expectation of receiving any return, to an extraneous body, placing the responsibility entirely on that irresponsible body to carry out great public works. When I say an irresponsible body, I do not intend to cast any reflection upon the personnel of this Harbour Commission; but they are responsible to no one except the Government. Now, the Government is responsible to Parliament for the expenditure of public money, and it seems to me that we are entirely setting aside a principle which is fundamental, namely, that of the Government being responsible to Parliament for such expenditure, and are introducing an autocratic or bureaucratic policy in supercession of that which we know by experience to be very desirable. May I ask my honourable friend what attention is being given to the checking of the expenditures which are to be so made?

Hon. Mr. DANDURAND: The expenditures are being checked by the Department and by the Auditor General. We have even given power to the Audit Board to examine into the works and the finances of every port in Canada, be they under Commission or directly under the Public Works Department.

Hon. Sir JAMES LOUGHEED: Does the Government supervise the plans?

Hon. Mr. DANDURAND: Yes, they must be approved.

Hon. Sir JAMES LOUGHEED: What about the tenders?

Hon. Mr. DANDURAND: The plans are submitted to the Department, and must be approved by the Department; then the tenders are called by the Commission, and are accepted by the Commission and transmitted to the Department.

Section 4 was agreed to.

Sections 5 to 7, 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.

Hon. Sir JAMES LOUGHEED.

CANTEEN FUNDS BILL

REPORT OF SPECIAL COMMITTEE

The Senate proceeded to the consideration of the Report of the Special Committee to whom was referred Bill 32, an Act respecting the disposal of the Canteen Funds.

Hon. Mr. BELCOURT: Honourable gentlemen, the matters covered by this and the following reports took a great deal of the time of the Committee to which they were referred. If I were to attempt to go into details, I am afraid I would occupy a long time, and at this stage, and because the matters dealt with are perhaps not of primary importance, may I ask leave to make my observations as brief as possible?

As honourable gentlemen who have read the reports have seen, there were three matters outside of the Bills which we were asked to investigate and to report upon. One of these had to do with what is called the Canteen Fund, another with what is called the Disablement Fund, and the other with the question of the sale of poppies.

Dealing first with the Canteen Fund, I may say that this Fund, which amounts to \$2,300,000, is a sum of money which has been paid by the Imperial Government to the Government of Canada, and which is now lying in the hands of the Receiver General as part of the profits which were earned during the war by the canteen. I forget the total amount of the profit realized in the whole of the British forces, but the Imperial Government decided that the amount I have mentioned was our share. As I have said, that has been received and is now in our hands. It is dealt with in a complete way by Bill 32, as to which I shall have a word to say later on.

Now, out of this \$2,300,000, there were paid to the Dominion Command of the Great War Veterans' Association the following sums: First, \$20,000; then, on the 1st of August, 1921, \$10,000; on the 1st of September, 1921, \$10,000; on the 1st October, 1921, \$10,000; on the 17th of October a further \$10,000; on the 1st of November, 1921, \$60,000; and on the 13th of December, 1921, \$10,000. You will therefore see, honourable gentlemen, that the amount paid to the Association in less than six months was \$130,000.

This money was paid over to the Great War Veterans' Association for the purpose of extending the scope and usefulness of that Association. Perhaps I should have said at once that besides the G.W.V.A. there were the Dominion Alliance, the Army and Navy

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Veterans, and seven or eight other orzanizations, the names of which I cannot remember at the moment, which were ministering to the wants of returned men. Out of this sum of \$130,000, according to the returns and the books of the G.W.V.A., which were audited by the accountant of the Department of Soldiers' Civil Re-establishment-and there is no disagreement between the Association and the Department with regard to these expenditures-the following expenditures were made: to "The Veteran" Limited, a weekly or monthly publication published by the G.W.V.A., \$46,000; salaries, \$36,653.29; travelling expenses. \$15,885.66; loans to Provincial Commands, \$11,200; postage, telegrams and telephones, \$5,241.79; honorarium to R. B. Maxwell, \$3,000; convention expenses, \$2,470.74; general expenses, \$2,161.87; and other expenditures of a similar nature.

As stated in the report:

It would not appear that any portion of the said sum of \$130,000 had been spent on unemployment relief for ex-service men and their dependents.

In addition to the sum of \$46,000 paid to "The Veteran" Limited, the accounts show that under the heading of Publicity and Propaganda" there was expended by the Association the sum of \$6,045.95. The Committee's report is:

(1) That the moneys in the Canteen Fund belong to all ex-soldiers of the Canadian Expeditionary Force, and generally speaking, should only have been expended in whole or in part, in such a way as to confer a direct benefit upon all ex-service men.

(2) As a departure from the foregoing, there could not be great exception taken to an expenditure upon certain of the ex-members of the Canadian Expediticnary Force and their dependents, who were upemployed, or in needy circumstances, providing that such unemployment, or needy circumstances, were not properly the especial care of Government agencies maintained at the expense of the Government.

(3) Your Committee cannot believe that in making grants of money from this Fund to ex-soldier organizations the Government intended, or approved, of the expenditure of such moneys to be made solely upon the organizations themselves in the payment of salaries to their headquarter officers, propaganda, honoraria, and other headquarter expenses. If the Government did so intend, or approve, your committee are of opinion that such grants were improperly made from this Fund.

The recommendation in regard to that is as follows:

Your Committee recommend that the whole of this Fund be disposed of in accordance with the provisions of Bill No. 32, as amended by the report of the Special Committee of the Senate, to whom the said Bill was referred, subject only to the repayment to the Disablement Fund of the sum of 15,000, more particularly referred to in the report of this Committee on the Disablement Fund.

The Hon. the SPEAKER: I think I should draw the honourable gentleman's attention to the fact that the Order called was S-38

for the consideration of the amendments to Bill 32.

Hon. Mr. BELCOURT: Then I should like to invert the order, because it is not logical at all. However, I am in the hands of the House.

The Hon. the SPEAKER: It is simply to keep the House straight on the matter.

Hon. Mr. BELCOURT: All I have said so far refers to Order No. 2. It deals exclusively with the Canteen Fund, and that is all I have spoken of.

The Hon. the SPEAKER: I point out that the Order called was No. 2: "Consideration of the amendments made by the Special Committee to whom was referred Bill 32, An Act respecting the disposal of the Canteen Funds." Order No. 4 is: "Consideration of the report of the Special Committee on the administration of the Canteen Funds." That relates to the report the honourable gentleman has been discussing.

Hon. Mr. BELCOURT: I ask the leave of the House to invert the order and deal with the report first, and then, if that is adopted, I might deal with the Bill.

The Hon. the SPEAKER: Is it the pleasure of the House that that procedure be adopted?

Some Hon. SENATORS: Carried.

Hon. Mr. BELCOURT: I have nothing more to say with regard to that part of it. I leave it to the House to adopt the report or not.

Hon. Mr. BELCOURT: Now I proceed with the Bill. All I intend to say is that the Bill is strictly in accordance with the recommendations of the report I have just read.

Hon. Sir JAMES LOUGHEED: We will assume that.

Right Hon. Sir GEORGE E. FOSTER: May I ask one question as to the part of the Fund which was used for the support of the organ of the Great War Veterans' Association? Was that use of the money authorized by the Government or did the Government simply give over \$130,000 to the Association and allow the Association to make such use as it pleased of it? It seems rather an odd thing for the Government to subsidize a newspaper, even of the Great War Veterans, out of the Canteen Fund.

Hon. Mr. BELCOURT: I think it was made perfectly clear to the Committee that the expenditure of this \$130,000 by the Do-

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minion Command of the Great War Veterans' Association was not in accordance with the desire or the declared intention of the Government, as appears by the Order in Council. Under Order in Council P.C. 2378 the money would appear to have been advanced to the Great War Veterans' Association for the purpose of extending the scope and usefulness of that Association. Those are the terms of the Order in Council, and the money was spent almost altogether on "The Veteran" and on the head office of the Association.

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 32, an Act respecting the disposal of the Canteen Funds, as amended by the Special Committee.

Hon. Mr. Taylor in the Chair.

Section 1 was agreed to.

On section 2-"Canteen Funds:"

Hon. Mr. ROCHE: When the report was being made I did not catch the precise recommendation that was being made by the Committee. Did they approve or disapprove of the expenditure of the money? Further, I would like to ask the Chairman of the Committee to inform us whether or not there is any recommendation with regard to the remainder of the money. It is pretty hard to get back money that has been wrongfully expended, if any has been.

Hon. Mr. BELCOURT: I did explain that, but my honourable friend did not follow. If he will look at paragraph 3 of the Report he will see that the Committee found that it was not a proper expenditure of that money. Paragraph 3 of the report reads:

(3) Your Committee cannot believe that in making grants of money from this Fund to ex-soldier organizations the Government intended, or approved, of the expenditure of such moneys to be made solely upon the organizations themselves in the payment of salaries to their headquarter officers, propaganda, honoraria, and other headquarter expenses. If the Government did so intend, or approve, your Committee are of opinion that such grants were improperly made from this Fund.

The recommendation which immediately follows is that Bill 32 be amended in the light of this report; and the amended Bill which is now submitted by the Committee is changed with a view of disposing of the rest of the Canteen Fund.

Hon. Mr. GRIESBACH: Honourable gentlemen, I think I can save the time of the Committee by saying a few words now on the purpose of this Bill and the effect of the Committee's recommendations upon it.

Hon. Mr. BELCOURT.

The Bill falls into three main parts. We have at our disposal the sum of \$2,300,000 odd. The Bill proposes that the sum of \$50,-000 shall be set aside for the American Red Cross to assist that body in taking care of exmembers of the Canadian forces who are in large numbers in the United States. The Bill further provides for the allocation of \$50,000 to a similar fund in Great Britain, to be used for the relief of ex-members of the Canadian Forces in Great Britain. It provides for the retention of \$20,000 to cover the possibility of accounts coming in against the Fund that are not now foreseen. It provides also the sum of \$100.000 to be handed to Trustees, to be appointed, for the establishment of a Veterans' Bureau in the city of Ottawa. With regard to the whole of the remainder, it provides that the money shall be divided among the several provinces of Canada on a pro rata basis, having regard to enlistments, etc.

The Committee in its report approves of that part of the Bill which sends \$50,000 to the American Red Cross. The Committee approves of allocating \$50,000 for a similar purpose in Great Britain. The Committee approves of the retention of \$20,000 to meet possible claims that may be submitted or outstanding accounts. The Committee also approves of the distribution of the residue amongst the several provinces, in the manner set out in the Bill.

But the Committee does not approve of the allocation of \$100,000 to Trustees, to be appointed, and located here in Ottawa, and for the establishment of a Dominion Veterans' Bureau. The Committee in their report set out that they think that all the money in the Canteen Fund belongs to all soldiers in Canada, and it ought to be so distributed as to confer a benefit upon all soldiers. The Committee are of opinion that no portion of this sum of money should be used for the establishment of a Dominon Veterans' Bureau. The Committee come to that conclusion after having heard the evidence of representatives of a number of ex-service men's associations in Canada. So the Committee recommend that that portion of the Bill which sets aside the sum of \$100,000 for the establishment of a Veterans' Bureau be struck out of the Bill, and that the Bill be amended accordingly.

I should draw the attention of the House to another small item, which we are striking out, and which needs a word of explanation. The British Government, from certain funds, have placed at the disposal of the Canadian Government £5,000 for the relief of ex-members of the Imperial Forces who may be living in Canada. We recommend that the provision with regard to those funds be struck out of that Bill. The effect of that proposed amendment will be to leave in the hands of the Government, the disposal of the sum of £5,000, and let the Government find some suitable way of handling it.

All the amendments to be put forward will be, therefore, for the purpose of carrying out the recommendations of the Committee as I have outlined them.

Right Hon. Sir GEORGE E. FOSTER: Do I understand my honourable friend to say that the \$100,000 which it was proposed to allocate to a Bureau here goes to the provinces for distribution?

Hon. Mr. GRIESBACH: Yes. There is one small amendment, which the Committee overlooked and to which my attention was In the report just called a little while ago. read to the House by the honourable gentleman from Ottawa (Hon. Mr. Belcourt) vou will note that we recommend that the sum of \$15,000 be repaid from the Canteen Fund to the Disablement Fund, dealt with in another report. It was pointed out to me a few moments ago that it will be necessary to insert in the Bill before us a provision for the payment of that \$15,000. If we pass the Bill without doing so, the Government will not be in funds to make the payment. When we come to the appropriate place, I will move that amendment.

Hon. Mr. BELCOURT: I want to add just one word with regard to the Bill. It was intended to create two bodies. First, there was to be a Central Board of Trustees, composed of three members. That provision we have stricken out. The other body was a provincial board. The Bill as now presented provides merely for a provincial board, which will administer the funds in the proportions stated in section 6.

Hon. Sir JAMES LOUGHEED: Carried.

The Hon. the CHAIRMAN: The amendments proposed by the Committee are set out one by one, and I shall put them as the different sections are reached. From section 2 it is proposed to strike out these words:

Other than the allotment of 5,000 pounds made by the Council of the United Services Fund, "British Fund" shall mean the said allotment.

The amendment was agreed to, and section 2 as amended was agreed to.

On section 3-Central Board of Trustees:

The Hon. the CHAIRMAN: The Committee propose to strike out of this section the words: S-381 There shall be appointed by the Governor in Council a central board of trustees consisting of three members who shall serve without remuneration for a period of three years and shall be eligible for reappointment, and.

The amendment was agreed to.

The Hon. the CHAIRMAN: The section will then read:

There may be appointed by the Governor in Council a Board of Trustees for the Yukon Territory consisting of three members who shall serve without remuneration for the period of three years and shall be eligible for reappointment.

Section 3 as amended was agreed to.

Section 4 was agreed to.

On section 5-majority to be ex-members of forces:

The Hon. the CHAIRMAN: Section 5 reads now:

5. A majority of the members of the Central Board of Trustees and of each provincial Board of Trustees shall be ex-members of the forces, who have seen service overseas.

It is proposed to striks out the words:

Of the Central Board of Trustees and.

The amendment was agreed to, and section 5 as amended was agreed to.

On section 6, paragraph (a)—allotment of Funds; outstanding accounts:

The Hon. the CHAIRMAN: There is no amendment to paragraph (a).

Paragraph (a) was agreed to.

On section 6, paragraph (b)—adjustment service and bureau at Ottawa:

The Hon. the CHAIRMAN: It is proposed to strike out paragraph (b).

The amendment was agreed to.

Hon. Mr. GRIESBACH: I move that in lieu of that clause the following section be inserted:

The sum of \$15,000 shall be paid to the Disablement Fund in reimbursement of a loan made by the trustee of the said fund to the Dominion Veterans' Alliance.

The amendment was agreed to.

On paragraph (c)-United Services Fund:

The Hon. the CHAIRMAN: There is no amendment.

Hon. Mr. ROCHE: I would like to have a little explanation as to why these moneys should be sent to an Association, in the United States, for instance, of whom we have no control and no knowledge. Furthermore, these moneys were contributed by the Canadian soldiers. Goods were purchased, at large profits, no doubt, in England, and they were distributed to the soldiers at advanced prices. Now the soldiers, a great many of them, want to know, where the money that they have contributed is going-whether it is to be spent in salaries or sent to organizations, and whether they will get no benefit from it whatever. It is all very well to divide up a large sum of money, but those who ought to be beneficiaries of it should have some control over it. I do not understand why any soldiers who joined the forces in England should be beneficiaries of a fund which Canadian soldiers exclusively created and to which they contributed. Of course, the officers contributed a great deal for luxuries and other things, but I think the common soldiers ought to be considered and ought to receive what benefits accrue from this fund which had been accumulated from what they spent out of their pay. I understand they received three francs a day in France monthly, and with the money they bought luxuries and other articles from the canteen. I think that, if there is any profit accruing from the accumulated fund, the real Canadian

Hon. Mr. GRIESBACH: Honourable gentlemen, the answer is very simple. It is estimated-although there can be no exact figures-that there are 100,000 ex-members of the Canadian Expeditionary Forces in the United States at the present time. They are cut off from participation in this fnud. The Committee is informed that ex-members of the Canadian Forces who are in needy circumstances in the United States have been for some time cared for by the American Red Cross. The proposal is to reimburse the American Red Cross, or place them in funds to continue the work.

soldiers should get the benefit of it.

So far as Great Britain is concerned, there is a large but unascertained number of exmembers of the Forces there at the present time. After demobilization a great many of them who were in needy circumstances were cared for from the British Fund, and the Committee have thought it well to approve, upon the advice of the officials of the Department, the allocation of \$50,000 to Great Britain. I would draw the attention of my honourable friend to the fact that from the British fund the sum of \$25,000 has been sent over here for the care of ex-members of the Imperial Forces.

Paragraph (c) of section 6 was agreed to.

Paragraphs (d) and (e) of section 6 were agreed to.

Section 6, as amended, was agreed to.

Section 7—British Funds: Hon. Mr. ROCHE. The Hon. the CHAIRMAN: This section is to be stricken out.

The amendment was agreed to.

On section 8-regulations:

The Hon. the CHAIRMAN: It is proposed to strike out the words: "of the Central Board of Trustees and for the guidance and direction."

The amendment was agreed to.

Section 8, as amended, was agreed to.

On section 9—expenses charged to allotment:

The Hon. the CHAIRMAN: It is proposed to strike out the words: "the Central Board of Trustees and."

The amendment was agreed to.

Section 9, as amended, was agreed to.

On section 10-vacancies:

The Hon. the CHAIRMAN: It is proposed to strike out the words "of the Central Board of Trustees, or."

The amendment was agreed to.

Section 10, as amended, was agreed to.

Section 11 was agreed to.

On section 12-reports to Minister:

The Hon. the CHAIRMAN: It is proposed to strike out the words "by the Central Board of Trustees."

The amendment was agreed to.

Section 12, as amended, was agreed to.

On the preamble:

The Hon. the CHAIRMAN: It is proposed to strike out the words:

-and whereas through the intervention of His Excellency the Governor General a special allotment of \$5,000 has been made by the Council of Management of the United Services Fund from the share of the Canteen Funds allocated to the United Kingdom, for the benefit of ex-Imperial soldiers and their families resident in Canada with a request that it be administered as it may be determined by the Government of Canada;

Hon. Mr. ROCHE: Do I understand that the alteration in the preamble will counteract or alter the terms on which this money was given by the British Government? We cannot alter those terms in that way.

Hon. Mr. GRIESBACH: The effect of the change in the preamble is this. The funds sent over by the British Government amount to \$25,000, and were to be handled, distributed and cared for by Trustees appointed under this Bill. We are not appointing any Trustees under the Bill. Hon. Mr. ROCHE: But you cannot vary the terms of a benefaction.

Hon. Mr. GRIESBACH: There are no terms of the benefaction. The Government of Great Britain sends over a certain sum of money to the Government of Canada; there it remains; we just leave it where it was.

The amendment was agreed to.

The preamble, as amended, and the title were agreed to.

The Bill was reported as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill, as amended.

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

DISABLEMENT FUND

REPORT OF SPECIAL COMMITTEE

The Senate proceeded to the consideration of the Report of the Special Committee on the administration of the Disablement Fund.

Hon. Mr. BELCOURT: Honourable gentlemen, this Report has been very minutely prepared, and covers the ground very fuily. It has no immediate connection with the Pension Bill, which we will discuss later. Any honourable gentleman who has read or will read the Report will get all the information required. If any honourable member wishes to ask any questions now, we will endeavour to answer them. Otherwise, I move that this Report be adopted.

The motion was agreed to.

SALE OF PAPER POPPIES

REPORT OF SPECIAL COMMITTEE

The Senate proceeded to the consideration of the Report of the Special Committee on the manufacture and sale of Paper Poppies by the Department of Soldiers' Civil Reestablishment, etc.

Hon. Mr. BELCOURT: What I have said in regard to the Disablement Fund applies equally to the Report on the Poppy Day Campaign—the sale of poppies. I think it can safely be said that it has no reference whatever to the Pension Bill; it is independent altogether and outside, and cannot affect the consideration of the Pension Bill in any way. This Report also is very full and is of great importance. I move the adoption of the Report.

The motion was agreed to.

CANTEEN AND DISABLEMENT FUNDS CRITICISM OF SENATE COMMITTEE'S REPORTS

Hon. Mr. GRIESBACH: With the leave of the House I would like to make a statement. The Ottawa Journal of to-day, in the report of the proceedings that have just been read, has the following statement:

Not Taken Seriously

C. G. MacNeil, secretary of the Dominion Command of the Great War Veterans' Association, commenting last night upon the reports of the special committee of the Senate which inquired into the administration of the canteen and disablement funds, said: "Those with a knowledge of the facts do not take the report seriously. It is merely a recital of evidence furnished by the prosecution, and totally disregards evidence filed" on behalf of the association by competent witnesses."

I merely desire to say, honourable gentlement, having had some part in the work of the Committee, that in accordance with the orders of the House, the proceedings of the Committee that dealt with this inquiry, with related documents, will be published in due course. As a member of the Committee, I am willing that the public shall be allowed to come to their own conclusions in the matter, after perusal of the evidence and the documents. The Committee will have no apology to make in reference to the report.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

PENSION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 70, an Act to amend the Pension Act, as amended by the Special Committee.

Sections 1 to 3, inclusive, were agreed to.

On section 4—pension for pulmonary tuberculosis:

The Hon. the CHAIRMAN: Paragraph (a) of subsection 3 has been amended by striking out the words, "was attributable to or."

Hon. Mr. BELCOURT: That is merely to make it conform with the other sections.

The Hon. the CHAIRMAN: And after the word "service," in line 2, page 3, there are to be inserted the words "during the war"; also after the word "service" in line 9.

Hon. Mr. BELCOURT: Those amendments are merely to make it conform with the other two that we have made.

The Hon. the CHAIRMAN: After the word "provisions" in line 18, page 3, insert "in paragraph (b)".

Section 4 as amended was agreed to.

On section 5—final payment in cases of disability between 5 and 9 and 10 and 14 per cent; Pension after award of final payment:

The Hon. the CHAIRMAN: Section 5 is amended by striking out of paragraph (b) the words "as from the date of the final payment"; and by striking out the whole of paragraph (c).

Section 5 as amended was agreed to.

On section 6—wear and tear on clothing on account of amputation:

The Hon. the CHAIRMAN: Section 6 is amended by substituting for the word "subsection" the word "subsections" and adding the following as subsection 4:

"(4) A member of the forces in receipt of pension on account of any disability, other than the amputation of an arm or leg, which necessitates the use of a prosthetic appliance, may, at the discretion of the Commission be granted an allowance, not exceeding fifty-four dollars per annum, on account of wear and tear of clothing, if in the opinion of the Commission, the use of such appliances results in such wear and tear."

Section 6 as amended was agreed to.

On section 7—annual allowance for maintenance of parents:

The Hon, the CHAIRMAN: Section 7 has been amended by striking out the proviso and substituting the following:

"and provided also that if the Commission is of opinion that the pensioner is unable by reason of circumstances beyond his control, to continue his contribution towards the maintenance of his parent or parents, the Commission may continue the said benefits."

Section 7 as amended was agreed to.

The Hon. the CHAIRMAN: Sections 8, 9 and 10 of the original Bill are struck out.

On section 10—pension to widowed mother prospectively dependent:

Hon. Mr. GRIESBACH : There is an explanation that I would like to make in regard to that proposed section. It reads as follows:

Provided further that the provisions of subsection seven of this section shall apply to a widowed mother who falls into a dependent condition after the death of the member of the forces and who in the opinion of the Commission would have been wholly or to a substantial extent maintained by the member of the forces had he not died.

That is a clause which seeks to put upon the same basis as the widowed mother or dependent parent what we call the prospective dependent. To illustrate: a woman whose son enlisted for the war and at that time designated his mother as his dependent,

The Hon. the CHAIRMAN.

assigning to her a portion of his pay, etc., was killed. Under the law as it now stands, she would immediately become entitled to a widow's pension, which she draws without any deduction whatever. There is a second class. It is the case where a man enlists for the war, designates no dependent, and is killed. Five, six or seven years later the mother falls into a dependent condition. Her husband dies, we will say. Thereupon, alleging that her son would have supported her had he lived, and alleging further that she is in a dependent position, she becomes entitled to the mother's pension: but any pension that she may receive is subject to deductions, within certain limitations of income that she may have. That is the difference between the two classes. In the first class, the mother who sent her son to the war is entitled to a full pension, and in the second class the mother is entitled to a pension of the same amount, but subject to deductions for property or income that she may have.

The purpose of this amendment was to bring into the first class all the persons in the second class; that is to say, to free the second class from deductions for income or property of any sort. The Committee reject this clause, and I am in full agreement with the rejection, and think that a word of explanation of the reason is desirable.

The rejection of this clause obviously involves no great hardship. Persons in the second class have their portion of the pensicn, and their income, whatever it may be. Mark you, if they have no income at all, and are wholly dependent, they get the full pension. In any case these persons in the second class have such portion of the pension as may be awarded, and they have the benefit of any income. I say that these people are sufficiently well provided for, having regard to their circumstances, and that they are less entitled to the beneficence of the Government than other classes of persons who might be named.

I take the view that ex-service men should realize that in disposing of pensions we are not dealing with an unlimited sum of money: we are dealing with a limited sum. The financial condition of the country necessitates the exercise of care in the disposal of what we have to spend, and there are classes of persons more entitled to consideration than the class in question. A class which will invite the attention of the people of this country in the near future, in rapidly growing numbers, is the ex-service man who enlisted late in life and who is to-day prematurely old and may fall intc a dependent condition. The question will arise, what is the country going to do

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for him? I think already Departments of the Government are planning for the situation that may arise, and no doubt this House will in course of time have to consider that question. These men, who themselves served, and may become dependent in the future, in ever-increasing numbers, are more entitled to consideration than are the persons in the second class of which I have spoken. Therefore I say that we should so conduct our financial affairs with respect to aid to exservice men that when those ex-service men become dependent we shall not have spent the whole of our resources. For that reason I am in agreement with the striking out of this clause, as recommended in the report of the Committee.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend, I imagine, is very well posted in these matters and I would like to ask him one or two questions. Will the general effect of this Bill be to enlarge to any extent the number of beneficiaries and to add to the amount which is required annually?

Hon. Mr. GRIESBACH: The whole Bill?

Right Hon. Sir GEORGE E. FOSTER: The whole Bill. The second question is akin to that: if we kept a cool head and, while attempting to do what is just and fair, do not give way to undue sympathy, have we reached about the peak number of our pensions?

Hon. Mr. GRIESBACH: With respect to the first question, whether or not the whole Bill increases the amount liable to be paid annually, I may say that the Bill as it was introduced certainly does, but the Bill as amended by the Committee does nct greatly increase the amount. The clause I have here, it was estimated by the Board of Pension Commissioners, would cost \$500,000 per annum, but the clause has been amended, and I have not before me any figure of what the increased liability would be under the amended clause.

Hon. Mr. BELCOURT: If my honourable friend will allow me, I may be able to make an explanation in answer to the right honourable gentleman. Clause 8 of the Bill, which we have struck out entirely, would have increased the amount very considerably.

Right Hon. Sir GEORGE FOSTER: Half a million?

Hon. Mr. BELCOURT: I mean, in two respects. Paragraph (i) of subsection (b) would alone have entailed an expenditure of half a million dollars, according to the statement furnished to us by the Chairman of the Pension Board.

Hon. Mr. WATSON: Per annum?

Hon. Mr. BELCOURT: Per annum. Then under paragraphs ii, iii and iv—I forget exactly how much Colonel Thompson told us the burden would be increased; but my recollection, which is perhaps a little vague, is that the amount was in millions; and was confirmed in his statement by Mr. Paton, his assistant. It would be somewhere between two and three million dollars. That whole section is struck out. So I think it may fairly be claimed that the work of the Committee has relieved the Treasury by three or three and a half million dollars provided for in the Bill itself.

Right Hon. Sir GEORGE E. FOSTER: And the other question—whether we have probably reached the peak of our pension load.

Hon. Mr. GRIESBACH: That is a very difficult question to answer. It depends on whether the Act remains as it is or is constantly amended in the future.

Right Hon. Sir GEORGE E. FOSTER: Of course. But as it is now?

Hon. Mr. GRIESBACH: If the Act stands unamended? By the terms of this Bill we fix a period of seven years from the date of a man's discharge, after which period he cannot make application for a pension unless his documents contain a specification of the injury upon which he claims a pension. He is not to be barred by statute in that case. Many deaths are occurring among pensioners, and these result in a deduction. There is a small increase in the total amount. According to the estimates of this year, the total is a million dollars more than last year; but I would point out to the House that the estimates for the Department of Soldiers' Civil Re-establishment are a million dollars This means that men came off treatless. ment and went on pension, and it is an equalization.

But the House must face in the future the problem of the prematurely old man, the man who enlisted late in life, as many did. Some enlisted at the age of 50, representing themselves as 40, and went off and did their bit. Many of those men are breaking down. The Department of Soldiers' Civil Re-establishment has started a tentative plan to look after them; but unless we have a very substantial measure of prosperity in this country, which will take care of everything, we shall be confronted, perhaps five or six years hence, with a problem which will necessitate soldiers' homes. I do not see how we can escape that.

I do not suppose any one can see what the future has in store for us. It depends on the amendment brought in from time to time, and it would seem that we have fairly well reached the end of amendments which may be put through. There will be many applications received; but if a statesmanlike view is taken of the whole matter, and if regard is had for the problems of the future, it will be unnecessary to refuse some extreme applications to provide for the future. On the other hand, pensioners are dropping off, and their pensions are stopping.

Hon. Mr. BELCOURT: I think it may be said that this Bill has not in any substantial way increased the burdens. If these are today larger than they were a year or two ago it is simply because men entitled to pensions have in the meantime applied for and received them. The increase is not by reason of the Bill itself.

Right Hon. Sir GEORGE E. FOSTER: My question was prompted by a desire for information for myself, and also because of my fear of the scandalous manner in which the pension system was abused in the United States after the Civil War. Sixty years after that war had entirely ceased, the roll of pension expenditures was probably larger than at any period in its history.

Hon. Mr. GRIESBACH: That was due in the United States primarily to the lack of records. No importance was attached in the American Civil War to the keeping of records. On the other hand, the records of the Canadian service in the later war are the best records that have ever been kept in any war at any time. Honourable members may recall that 500 tons of documents came back to Ottawa and are stored here. There is a triplicate record of every man. Every time his name is mentioned in any conceivable way it is entered in his record. Every medical entry, every promotion, award, appointment, transfer, change, absence without leave, offence, crime, or any possible thing that could happen to him has gone into that record. The result is that, having passed the statutes that we have, only very occasionally is it possible for a man to be without complete documentation. Owing to mistakes in names, or accidents of some sort, the file may sometimes be incomplete, but in 999 cases out of 1,000 the documentation is absolutely complete in respect to every officer and man that Hon. Mr. GRIESBACH.

served. That is the first thing to consider in the prevention of a pension scandal.

I have had to do with American pension cases. I know a man six feet six in height, who got a pension on the ground that the blankets with which he was supplied were too short, and he contracted rheumatism in the service. He received \$13 a month, and back pension for nearly 40 years.

The second point is that the United States statutes were not carefully drawn, and thus not satisfactory. Political influence was also allowed to intervene, and the practice of introducing special Acts for individuals arose, such Acts being introduced for thousands of men at every session, and jammed through the House—not unlike another sort of legislation that we have in this country—and nobody asked any questions.

So the first thing is documentation, and the second thing is law which is just and fair, covers the ground fully, and is absolutely adhered to by the officials of the Department and by the Board of Pension Commissioners, and administered not with sympathy but as I have contended many times, administered as the law is. If the law is not satisfactory, this is the body empowered to change it. If we stick to those two principles, documentation and the observance of the statutes, we will keep out of the trouble that the United States got into.

Right Hon. Sir GEORGE E. FOSTER: Has any change been made in the Board of Pension Commissioners?

Hon. Mr. GRIESBACH: No change that I know of.

Right Hon. Sir GEORGE E. FOSTER: At one time there seemed to be a rising ride of dissatisfaction with and antagonism against the Pension Commissioners' administration; has that cooled off measureably?

Hon. Mr. GRIESBACH: I think it has to some extent cooled off.

Hon. Sir JAMES LOUGHEED: We have a Board of Appeal.

Hon. Mr. GRIESBACH: There is a Board of Appeal that has afforded a safety valve. Since their organization they have heard 1,200 cases, and they have reversed the findings of the Board of Pension Commissioners in about 300 cases out of the 1,200. That furnishes a safety valve.

Hon. Mr. BELCOURT: In regard to the time within which all these applications will have to be finally dealt with, honourable gentlemen may look at subsection 13 of new

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clause 3, where it appears that an application must be made:

(a) within three years after the date of the death in respect of which pension is claimed, or

(b) within three years after the date upon which the applicant has fallen into a dependent condition, or (c) within seven years after the date upon which the

applicant was retired or discharged from the forces. So I think we can safely say that by the year 1927 we shall have before us all the applications that could be dealt with, and that any application made for any cause after

that any application made for any cause after that date will not be entertained, because the time for doing so will have elapsed in other words, all such applications will be proscribed by that date.

Section 10 was agreed to.

Sections 11 to 15 inclusive were agreed to.

On section 16—appeals:

Hon. Mr. GRIESBACH: I have a few observations, in connection with that section, having a lively recollection of something that happened two years ago, in which I differed with the Committee, and came in for a certain amount of criticism by apparently agreeing with them and then disagreeing in the House. I wish to say that this section sets out the grounds upon which an appeal may be taken from the Board of Pension Commissioners to the Federal Board of Appeal. When the section came before the Committee they struck out the words at the end of the section, "or was the result of misconduct," and I agreed with them.

The situation is this. An application for a pension is made to the Board of Pension Commissioners, and is refused. The law provides that upon the evidence of record an appeal shall lie. It is also provided in the statute that if the Board of Pension Commissioners refuse a pension on the ground that if the disability from which the man claims to be suffering, and in respect of which he is entitled to a pension, was de to improper conduct, no appeal to the Board of Appeal shall lie.

When the Committee asked for an explanation from the Board of Pension Commissioners as to the meaning of these words, they pointed out that if an application were made for a pension, and the Board rejected the application on the ground that the disability from which the man was suffering was due to improper conduct, that might be drunkenness or venereal disease. I think the Committee formed the idea that those words which were struck out would have the effect of giving a man suffering from venereal disease a pension therefor; but such is not the meaning or intention of those words.

Honourable gentlemen will see at a glance that if a man applies for a pension on the ground that he is suffering from heart trouble, and he is so suffering from heart trouble, but traces of venereal disease are discovered in the course of his medical examination, and the medical officers of the Pension Board say that the contraction or aggravation of his complaint is due to venereal disease, then the pension will be refused on the ground of improper conduct. If a pension is refused on the ground of improper conduct, then no appeal lies to the Board of Appeal, under the law as it now stands.

The Minister himself and the Board of Appeal take the view that, if a man has been refused a pesion on the ground that his disease or disability is due to improper conduct, he has as much right of appeal on that ground as he has on any other. The present law does not give a man a pension for improper canduct; it does not give a man a pension for venereal disease; it refuses him a pension for all those things—for any improper conduct.

But the question as to whether he was properly refused a pension on the ground that his disability was due to improper conduct is a matter in which he ought to have an appeal, because the medical advisers of the Board of Pension Commissioners may be as wrong about that as they may be wrong on anything The words which were struck out in else. the Committee, "or was the result of misconduct," were introduced at the suggestion of the Board of Appeal, to give to the man who has been refused a pension by the Board of Pension Commissioners the right to appeal in the case where his pension was refused on the ground that his disability was due to improper conduct.

In view of my experience two years ago, and on the advice of my learned and honourable friend on my left (Hon. Mr. Belcourt), I am putting the case before the Senate, and leaving it for this Committee to decide.

Hon. Mr. BELCOURT: Since the matter is left with the Committee, I think the duty devolves on the Chairman of the Special Committee to which this Bill was referred, to say samething on this point. I believe that when this section was before the Committee there was a misconception. I think we all thought at the time that this new clause introduced in the Bill, changing the law as it stood before, was with regard to the right to the pension, not as to the question of appeal. Speaking for myself, as a member of the Committee and as a member of this House, I think we might make that section conform exactly to what I believe was the intention of the Committee, and as to which unquestionably there has been a misconception.

T agree with my honourable friend that there ought to be an appeal from the Board of Pension Commissioners to the Federal Appeal Board in the case of injury resulting from misconduct as in all the other cases. Appeals are dealt with by the Federal Board on the ground that possibly an error was made by the Pension Commissioners with regard to the right of the applicant to a pension. I cannot see why there should be a difference between an applicant who has been disentitled because of misconduct and another applicant who was refused for other reasons as to any error on the part of the Pension Board. It seems to me that a man who has been refused his pension because of alleged misconduct has as much right to appeal from that decision as the man whose disability has not been admitted. It is an appeal in both cases in order to ascertain finally whether the finding of the Pension Board was strictly in accordance with the evidence. My honourable friend tells me that there are 12 cases of this sort now, which have been refused the right of appeal because they were declared by the Pension Board not to be entitled to pension because of misconduct.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I recall the discussion before the Committee as to the elimination of these words. We had before us the Chairman of the Pension Board, Colonel Thompson, who strongly disapproved of the retention of those words. He informed the Committee that they had been put in there unwittingly, and strongly advised the Committee not to retain them in the section.

It is unfortunate that on a highly technical subject of this kind a question should arise when we have not before us the members of the Pension Board, who are familiar with the subject. I think it is very dangerous to enlarge the grounds for appeal. The results demonstrate that the Appeal Board has thrown open the doors very widely, and the country has been put to a very large expense by reason of appeals allowed by that Board. It has become a matter of comment, and their decisions in many cases are to be condemned. I have known of cases in which appeals have been allowed by the Appeal Board to men who have never been to the front, have never been out of the town in which they had been living; yet the Government has been called upon to pay \$5,000 or \$6,000 in compensation of back allowances to which they were entitled under the ruling of the Board. That

Hon. Mr. BELCOURT.

sort of thing should not be allowed. From my knowledge of the operation of the Act, the Board of Appeal was entirely unnecessary, and to enlarge the grounds for appeal is, I think, extremely dangerous, particularly at this time. The Committee agreed upon striking out those words, and we should not now insert them in the absence of evidence to the contrary.

Hon. Mr. GRIESBACH: I have here the memorandum of the Board of Pension Commissioners themselves. I have argued in favour of the clause, and I think it only fair that I should read the memorandum, which sets out largely the view of the honourable leader of the opposition (Hon. Sir James Lougheed). This is what the Board of Pension Commissioners themselves say:

This amendment opens up the grounds on which appeals may be heard. At present appeals are only permissible where the Board of Pension Commissioners or the Department has refused consideration (on the ground that the injury or disease or the aggravation thereof resulting in disability or death, was not attributable to or was not incurred during military service). This amendment provides that those others shall be entitled to appeal who have been refused consideration on the ground that their condition was due to misconduct.

The number of appeals at prescent before the Appeal Board is large. They are progressing with their work slowly. They have recently taken on appeals on behalf of Imperial pensioners who have been given final awards. If this additional ground of appeal is provided there will be a strong argument by way of precedent for giving further grounds of appeal in cases of refusal to dependents on the ground of marriage after the appearance of the disability and for other reasons. It is considered that the present grounds on which appeals are allowed, viz., attributability, make generous provision and should not be widened unless the Government is prepared to go still further and take in all other types of refusals and eventually appeals on account of assessment.

Hon. Mr. WILLOUGHBY: May I ask the honourable gentleman a question dealing with the point raised, as I am interested in one particular case? Where a soldier has been guilty of misconduct and therefore is disentitled to appeal, will he have the right to come in again and ask for an appeal although he has been rejected before? Will it be retroactive?

Hon. Mr. GRIESBACH: The fact that a man has had venereal disases does not prevent him from applying for and securing a pension for something else. Venereal disease does not put against a man a black mark that stays with him all through life. The point is that if a man applies for a pension on the ground that he has a disability, and that disability is due to or is aggravated by improper conduct—it may be venereal disease or drunkenness or a self inflicted wound—he will not be given a pension, and he has no appeal if he is refused on that ground. Hon. Mr. WILLOUGHBY: Will he have a right to appeal now, although he has already been refused? Can he come in under the new Act?

Hon. Mr. GRIESBACH: The Committee struck these words out. The Bill as brought down and passed by the House of Commons proposed that a man who was refused a pension on the ground that his disability was due to improper conduct, should have no appeal, and those three or four words were designed to give him an appeal. The Committee agreed to strike those words out; but since the Comittee did that, I was called upon by the Secretary of the Appeal Board, who put forward the other view which I advanced a moment ago.

Hon. Mr. McMEANS: If a widow who is entitled to a pension is accused of misconduct, can she appeal?

Hon. Sir JAMES LOUGHEED: Yes. That is a different thing.

Hon. Mr. McMEANS: No, no.

Hon. Sir JAMES LOUGHEED: Where a pension is stopped—

Hon. Mr. McMEANS: No. The pensioner dies, and his widow has a pension. She is accused of misconduct, and her pension is disallowed. Has she any right of appeal?

Hon. Mr. GRIESBACH: Her claim is through her husband. She first of all must prove that her husband had a disability which entitled him to a pension.

Hon. Mr. McMEANS: There is no difficulty about that. The widow is in receipt of a pension, then the charge is made against her that she is not living a proper life, and the Pension Board says, "We won't give you a pension." Is there any right of appeal there?

Hon. Mr. GRIESBACH: No, but there is a provision in this Bill-

Hon. Sir JAMES LOUGHEED: They can give her a pension if her conduct merits it.

Hon. Mr. McMEANS: No. So far as I am concerned, I do not agree with the honourable member for Calgary (Hon. .Sir James Lougheed) that there should not be any appeal. What is the reason for the creation of an Appeal Board. What is it for if it is not to hear appeals?

Hon. Mr. GRIESBACH: Section 11, that we have just passed, provides as follows:

Provided that the said pension shall not be cancelled until an opportunity is given to the said pensioner to enter a defence before the Commission against such cancellation, personally, or by accredited representative, or as the Commission may direct; provided also that any pension which has been suspended, discontinued or cancelled may in the discretion of the Commission be reinstated if it is found that the said pensioner is no longer living under the conditions for which pension was suspended, discontinued or cancelled.

That refers to the case of a woman in receipt of a pension who misconducts herself.

Hon. Mr. McMEANS: Or is accused of misconducting herself.

Hon. Mr. GRIESBACH: Yes, or is accused of misconduct. Formerly the Soldiers' Civil Re-establishment Department had women visitors who went around visiting, and some of them were of the type who were easily persuaded that an unfortunate woman was not living as she should; and thereupon the woman's pension was cut off, and the first she learned of it was when her cheque did not come. This provides that her pension shall not be cut off without notice and an opportunity of defending herself.

Hon. Mr. McMEANS: Before whom?

Hon. Mr. GRIESBACH: Before the Pension Board.

Hon. Mr. McMEANS: Then, is there any appeal against the decision of the Pension Board on that particular point?

Hon. Mr. BELCOURT: I think there would be.

Hon. Mr. McMEANS: There ought to be.

Hon. Mr. BELCOURT: I think under the Act as it stood before this amendment there was.

Hon. Mr. McMEANS: No, there was not

Hon. Mr. BELCOURT: Then this Act does not give an appeal. My impression is that on the general principle of the Act there would be an appeal.

Hon. Mr. McMEANS: I am one of those who believe that a woman who is the widow of a soldier, and who is deprived of her husband-he has been shot in the war-should not be interfered with as to her morals by the Pension Board or anyone else. That is a very wide proposition, and I believe it is open to a great deal of controversy. There was a woman living in the city of Winnipeg who had no support but her pension. She was accused of living a life of immorality. The Pension Board cut off her pension without the slightest notice. I think, perhaps, under the existing Act, they were justified in doing so; but the woman was absolutely deprived of a living. What could she do?

Hon. Sir JAMES LOUGHEED: The Pension Act makes provision for the renewal of the pension upon her conduct changing.

Hon. Mr. McMEANS: The difficulty about that is that she denied the accusation. The case was brought down here to Ottawa, and there was evidence taken about it here, there, and everywhere. Meantime she had nothing to live on.

Hon. Mr. BELCOURT: Had she got no notice?

Hon. Mr. McMEANS: No. A deputation came down here and came into my office and talked about it. Some had one idea, and some another; they were very much excited about it. While I have a great respect for the Pension Board and Colonel Thompson, nevertheless the pension was cut off and she had no appeal.

Hon. Mr. SCHAFFNER: But the honourable gentleman must know that there was an investigation?

Hon. Mr. McMEANS: I would like to know if there is a right of appeal from the Pension Board on any of these questions. What is the use of having an Appeal Board if there is no appeal? I am in favour of an appeal every time; I would not limit it in any case. It has been my experience in life that if a mistake has been made, the Pension Board or the court that makes the mistake would be the first to say, "We will be only too glad to have you go to someone over us who can review the question and point out the mistake we made."

Hon. Mr. DANDURAND: Honourable gentlemen, we are now on clause 16. I made a case for the text of the Bill as it came from the other House. It said:

Upon the evidence and record upon which the Board of Pension Commissioners gave their decision an appeal shall lie in respect of any refusal of pension by the Board of Pension Commissioners on the ground that the injury or disease or aggravation thereof resulting in disability or death was not attributable to or was not incurred during military service.

I stop there for a moment. There is an appeal if the Board of Pension Commissioners say that the injury, disease, or death was not incurred during military service. The Board of Pension Commissioners may have come to that conclusion after having found that the cause of the injury, disease or death was misconduct; but if they do not go a step further and say that it was not incurred during military service, there is no appeal. They may find that the injury or disease or aggravation resulting in disability or death was not incurred during military service, and then there is an appeal.

Hon. Mr. McMEANS.

It seemed to me somewhat illogical, but the argument was made, that there was a finding as to the real cause of the disease or death, and that upon that pronouncement there should be no appeal. This to my mind is what actuated the Committee in rejecting that amendment. I confess that I have remained somewhat perplexed as to the logic of the present—

Hon. Sir JAMES LOUGHEED: I must say that I do not see the necessity of the words anyway, because he has an appeal if it is found that the disease or aggravation resulting in disability or death was not incurred during military service. He has an appeal on this general ground, and the court of appeal hears the whole matter.

Hon. Mr. GRIESBACH: If they say they refuse an appeal on the ground of misconduct, that is all they have to say, and he is barred from the appeal.

Hon. Sir JAMES LOUGHEED: I would not say so.

Hon. Mr. GRIESBACH: That is the interpretation they put upon it.

Hon. Sir JAMES LOUGHEED: It is unfortunate that this question has been raised at this point. We discussed it in the Committee, and the Committee were unanimous and my honourable friend was satisfied. It means to me this might possibly open the door to a very serious incursion of cases which might represent a very substantial sum of money. I would suggest that this matter should stand. No injury could flow from that, because we are amending the Pension Act practically every year and, while I regret to say it, I have no doubt it will be before us again next year.

Hon. Mr. SHARPE: I am very much surprised to see my honourable friend bring in the amendment to put back what was struck out in the Committee. We went very fully into this matter. We had the members of the Pension Board before us, and other witnesses, and we were unanimous in striking this out.

Hon. Mr. GRIESBACH: I was just as unanimous as the honourable gentleman from Winnipeg (Hon. Mr. Sharpe), but since then I have had a lengthy discussion with the Secretary of the Appeal Board.

Hon. Mr. SHARPE: He was at the Committee.

Hon. Mr. GRIESBACH: No, he was not. I agreed with the Committee, but in the meantime the Secretary of the Appeal Board, whom I had not seen before, called upon me and put before me a number of concrete cases, and explained precisely what this meant, and I have changed my mind, and I have tried to explain why.

Hon. Sir JAMES LOUGHEED: Unfortunately we have not had the advantage of seeing the same gentleman.

Hon. Mr. DANDURAND: They have allowed 300 appeals. They are not ornamental.

Hon. Mr. McMEANS: But what is the use of the Board of Appeal? Why are they there? They have been appointed by the Government at large salaries. There is a Board of Pension Commissioners, and then there is the Board of Appeal to review cases. Then you say the Board of Appeal shall not hear appeals except in certain cases. Is there anything more ridiculous than that?

Right Hon. Sir GEORGE E. FOSTER: I would like to put this phase of the matter before the members of the Senate for a moment. It is when members of a Committee hear all the evidence on both sides of a case that we are able to get at the bottom of the matter and come to a decision. There are members here-I myself am one of them-who have not had the opportunity of being a member of that Committee and hearing both sides of the case. My protection is largely in the fact the Committee as a whole took up the matter thoroughly, examined it, not ex parte, but on a broad basis, before coming to a conclusion. I would rather rest my judgment and decision upon that condition than decide according to the statement of a member of the Committee, who says that after the Committee's decision he has heard ex parte evidence and changed his mind. The same evidence as he has heard might be given to the Committee and might not change the Committee's opinion. I feel that I am safe only when I rely upon the mature judgment of the Committee. If my honourable friend feels differently in this respect, no great harm will be done in waiting another year. The matter can be taken up again.

Hon. Mr. GRIESBACH: Precisely.

Right Hon. Sir GEORGE E. FOSTER: I do not like to see this matter of appeal widened and widened. The Appeal Board has certainly its proper functions, but it can also do a great deal to saddle unnecessary expense upon the country.

Hon. Mr. GRIESBACH: I have no apologies to offer for having brought the matter up. It is a somewhat important one. I agreed with the Committee, but I have had a different view put before me, and I thought it well to present it. I do not press the point, however. I merely lay it before the Committee.

Section 16 as amended was agreed to.

On section 17—operation of certain provisions and review of cases:

The Hon. the CHAIRMAN: Section 17 has been amended by the striking out of lines 18, 19 and 26 the words "three, eight, nine". Is it also suggested that a new clause be added as clause B:

Section nine of the said Act is amended by adding thereto the following subsection:---

(3) The Commission, represented by one or more Commissioners, may in its discretion hold sittings in any part of Canada for the purpose of hearing evidence or complaints in respect of pensions.

The amendments were agreed to, and section 17 as amended was agreed to.

Section 18 was agreed to.

Hon. Mr. GRIESBACH: In clause 13 there is a provision for making permanent the bonus which has been attached to pensions for some years—since 1919, I think. Honourable gentlemen will remember that in Canada the pension we have been paying has consisted of two-thirds pension and one-third bonus, the bonus being added in order to meet the high cost of living. Year after year requests have come that this bonus be made a permanent part of the pension. Last Session it was extended for one year. It is now made a permanent extension. The Ralston Commission recommended that it be extended for five years, but the Bill itself makes it perpetual, and the Committee have agreed to it.

In support of the Committee's view it is pointed out that pensions payable in Canada, New Zealand, Australia and the United States are on fairly equal terms, with the exception that an unmarried man in Canada receives \$900 a year and in the United States he receives \$1,200. The married men in Canada and those in the United States are on equal terms of pension, but the single men are not. The pensions in these countries are being settled for all time, and the purpose of this clause in the Bill is to make permanent the bonus heretofore paid.

Right Hon. Sir GEORGE E. FOSTER: What does that add?

Hon. Mr. GRIESBACH: It adds nothing.

Hon. Mr. DANDURAND: It adds permanency,

Right Hon. Sir GEORGE E. FOSTER: It adds the amount of the bonus to the amount that would be payable if the bonus were discontinued.

Hon. Mr. GRIESBACH: Yes.

The Bill was reported as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 70, an Act to amend the Pension Act, as amended.

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

HOME BANK DEPOSITORS RELIEF BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada.

Hon. Mr. Willoughby in the Chair.

Hon, Mr. DANDURAND: The honourable members of this Chamber will recall that we postponed consideration of this Bill in order to permit of the members of the Senate hearing an explanation of the whole situation of the Home Bank from the Liquidator, Mr. Clarkson. He was heard this morning by the Banking and Commerce Committee and a large number of other members. After hearing his statement the Banking and Commerce Committee appointed a small subcommittee to study the situation and prepare amendments in accordance with the mean opinion of the Senate, which I thought I had gathered two or three days ago, when we were discussing the second reading. The sub-committee was presided over by the Chairman of the Committee on Banking and Commerce, who will present amendments which, I believe, they carried unanimously.

Hon. G. G. FOSTER: Honourable gentlemen, this sub-committee submit to you a Bill on which they have unanimously agreed. They have made certain changes in the original Bill, but have followed as far as possible its wording. The changes that they have made in the Bill are material and most important. The principal change, so far as the country is concerned, is that they limit to \$3,000,000 the possible obligations of the Government. Provision is made for the payment of depositors who have claims up to Hon. Mr. GRIESBACH. \$500, also for those whose deposits were above that amount. I will hand to the Chairman of the Committee the draft of the amendments we have made, and he can read them clause by clause.

Hon. Mr. REID: Honourable gentlemen, I would like to say a few words before we proceed with this Bill. I was a member of the Committee that agreed on the Bill as it is now presented. When I made a motion a day or two ago. I was, as I then stated, strongly of the opinion that with sufficient time we could bring in a Bill that would save a great deal for the country and be perhaps of greater advantage to the creditors and depositors. We agreed to this Bill going into Committee on the distinct understanding that we did not accept the principle. However, I am glad that the Bill is now in its present shape.

What I rose particularly to say was that when I moved my amendment I asked for time. The Session is now so far advanced, and such important business is to come before us, that it is impossible to deal with this matter fully in the limited time that we have. I only wish that the Government had given us an opportunity of going into this matter thoroughly, for I believe we might have saved more money and possibly some depositors might have fared better. However, the Committee having agreed to the Bill as it now appears, I am quite willing that it should go through, but registering my protest against bringing in such an important measure at this late hour.

Section 1 was agreed to.

On section 2—payment of amounts due to depositors in Home Bank:

Hon. Sir JAMES LOUGHEED: The amount mentioned is \$3,000,000, and the percentage is 35 per cent. I should like to ask whether the amount in the previous Bill \$5,-450,000, was arrived at by the Government on the basis of 35 per cent on the deposits?

Hon. Mr. BEIQUE: Yes:

Hon. Mr. LAIRD: It seems to me very unfair that an important Bill of this kind should be introduced without the members having an opportunity of reading the sections of the Bill it is now proposed to adopt. I think printed copies of this proposed Bill, or at least typewritten copies, should have been circulated among the members, so that we might know what we are doing. We cannot hear a word of what the Chairman is reading, and to ask us to vote without having heard, let alone being able to read, the Bill, is very unfair. Hon. Mr. BEIQUE: I think I might explain the changes in the Bill. In the preamble of the Bill as printed, the Government acknowledged its moral responsibility. To disapprove of such an acknowledgment of moral responsibility, a preamble will be submitted which reads as follows:

Whereas certain creditors of the Home Bank of Canada have by their petition to the Governor in Council represented that they have, by the suspension of that Bank, sustained serious losses which they are ill able to bear, and have prayed that pecuniary aid may be afforded them on the grounds of commisseration and of an alleged moral responsibility of the Government of Canada for the causes of such losses and whereas such responsibility is not admitted, but it is expedient to afford pecuniary aid to certain of the said creditors as provided by this Act: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

Then section 2 of the Bill as printed provided for a maximum amount of \$5,450,000. This is reduced by the new clause 2 to a maximum of \$3,000,000. That is the main substantial change in that section.

Hon. Mr. REID: The Bill is very short; would the honourable gentleman read the new clause 2?

Hon. Mr. BEIQUE: For clause 2 substitute the following:

2. From and out of the Consolidated Revenue Fund there may be paid and applied an amount not exceeding three million dollars, for the purposes of paying. under the provisions of this Act, to the several persons who were creditors of the Home Bank of Canada, hereinafter called "the Bank," when the Bank suspended payment, for money on deposit or in current account, the amounts to which they are respectively entitled as hereinafter provided: but in no case shall any payment so made exceed thirty-five per centum of the claim of the creditor as settled and approved by the Court in the winding up proceedings.

The wording at the end of this clause was suggested by the liquidator, because he said that there were a number of claims subject to contestation, and they had been settled by the court in the winding-up proceedings. The provision limiting to 35 per cent the maximum amount which may be allowed on each claim, is new in the section.

Hon. Mr. DANDURAND: But the total \$5,450,000 came to 35 per cent.

Hon. Mr. BEIQUE: Yes, that total was intended to give 35 per cent.

The amendment to section 3 is of no consequence. In section 4 as printed honourable gentlemen will find these provisions:

4. Nothing herein contained shall authorize the payment of any portion of such sum to

(a) any person or government entitled to a charge upon the assets of the Bank under section 131 of The Bank Act, or

(b) any bank or banking correspondent whether in Canada or elsewhere.

We propose to add to those two paragraphs these further paragraphs:

(c) any person who is or has been a director of the Bank, or his estate, or any company in which he is or has been a shareholder, or any firm of which he is or has been a member; or

(d) the Government of any province, or to any city, town, county, municipality, parish, school board, educational institution, local improvement district, telephone district, or other similar corporation of institution; or

(e) any corporation, association, society, partnership, club. friendly or mutual benefit society, religious or church corporation, labour association, or any such society, organization or association whatsoever; or

(f) any Senator or Member of the House of Commons of Canada.

All those different classes are excluded from the operation of the Bill.

After section 4 we suggest adding the following provision for relief—it is clause A here, but it will be section 5 in the Bill:

1. The persons entitled to payment of aid under this Act shall be such of the creditors referred to in sections two and three of this Act as are found by the Commissioner hereinafter appointed to be in special need by reason of the suspension of the Bank.

(2) The president of the Exchequer Court of Canada or the Puisné Judge of that court, acting personally aud not as that court, and hereinafter called "the Commissioner", shall, upon application made to him by any person whose claim has been settled and approved by the court in the winding up proceedings, determine whether or not that creditor is entitled to receive any, and if so what amount of, pecuniary aid under the provisions of this Act. The Commissioner's determination shall be final.

(3) For the purposes of such determination the Commissioner may prescribe the delay for fyling claims to receive such aid, the evidence by affidavit or otherwise to be adduced in support of such claims, the procedure necessary or requisite, and all other matters requisite in the premises.

(4) So soon as possible after the expiration of the said delay the Commissioner shall from time to time prepare and forward to the liquidators of the Bank a list showing the names of the persons who have been found by the Commissioner to be entitled to aid under this Act, and the amount of aid to which each such person is entitled.

As honourable gentlemen will observe, this provides the machinery which shall govern the judge of the Exchequer Court.

Clause B, which will become section 6 of the Bill when reprinted, is as follows:

In order to facilitate the speedy settlement of this matter and to save expense in connection with the administration of this Act,—

(a) Every creditor having an approved claim of not more than five hundred dollars in amount shall be entitled to be paid thirty-five per centum thereupon without investigation of such claim by the Commissioner.

We learned from the liquidator that there were 47,000 claims each amounting to \$500 or less, and it was thought by the members of the Committee that too much trouble and expense would be entailed in inquiring into the merits of all those claims. Therefore it was suggested that they be not investigated, but that 35 per cent of all those claims be paid. This will entail the payment of a little over \$1,000,000.

Hon. Mr. GILLIS: Will the depositors of \$500 or less require the \$3,000,000 to pay their 35 per cent?

Hon. Mr. BEIQUE: No; it will take a little over \$1,000,000 to cover that, from what we can make out.

Hon. Mr. GILLIS: And the balance will be left for what?

Hon. Mr. BEIQUE: The balance will be left to be disposed of by the Commissioner. Then we have this provision:

(b) Any creditor failing to take advantage of this Act within twelve months from the date of its passing shall be absolutely barred from receiving any benefit therefrom.

This is to guard against the money remaining in the hands of the liquidator of the Bank for any great period of time. There are 53,000 depositors, and there may be a large number within the \$500 or less, who will be provided for. The Committee thought proper to fix a date within which all parties who desire to take advantage of this Bill should make their application. Clause C is as follows:

The Minister of Finance shall annually submit to Parliament, within fourteen 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.

Then we go on with the Bill as printed:

5. The distribution of the said sum as herein provided may be made by the liquidators of the Bank, and payment of the said sum may be made to the liquidators for such purpose.

6. In case of the decease of any of the persons who were creditors as aforesaid, payment shall be made to their executors or administrators.

7. The Governor in Council may raise by way of loan, temporary or otherwise, upon such form of security and upon such terms and conditions as the Governor in Council may approve, such sum or sums of money as are required for the purpose of making the payment authorized by this Act, and any sum so raised shall form part of the Consolidated Revenue Fund.

I have omitted to say that after the new paragraphs c, d, e and f, enumerating the classes of creditors excluded from the operation of the Act, we suggest adding the fellowing:

Any question arising under this section shall be determined by the Commissioner, and his decision shall be final.

That is the suggestion of the liquidator. He called our attention to the fact that a number of the parties excluded might claim that they did not come within the classes excluded, and suggested that it should be left to the Exchequer Court.

Hon. Mr. BEIQUE.

Hon. Sir JAMES LOUGHEED: Has provision been made for the Commissioner to delegate his authority to others, so that sessions may be held in the different cities throughout the Dominion? I think it is very desirable that that should be done. He could easily delegate his duties to the County Court judge, or some other judicial official.

Hon. Mr. BEIQUE: I made that suggestion, but the Committee thought it was sufficiently covered by the powers given to the Commissioner.

Hon. Sir JAMES LOUGHEED: It did not strike me that he had that power.

Hon. Mr. BEIQUE: I must say that I have some doubt.

Hon. Mr. LYNCH-STAUNTON: What kind of evidence must the Commissioner take? I should think you should provide that he is not bound to take viva voce evidence.

Hon. Mr. BEIQUE: It is so stated:

For the purpose of such determination the Commissioner may prescribe the delay for fyling claims to receive such aid, the evidence to be adduced in support of such claims, the procedure nebessary or requisite and all other matter requisite in the premises.

Hon. Mr. LYNCH-STAUNTON: My point is that the Commissioner might consider that he was bound to take evidence viva voce, which would entail an enormous number of court sittings. He should take such evidence as he thinks proper.

Hon. Mr. BEIQUE: If there is any doubt about it, we might say, "by affidavit or otherwise." We will add that.

Hon. Mr. McMEANS: May I ask the honourable gentleman if he considers this Bill an amendment of the Bill that came from the House of Commons?

Hon. Mr. BEIQUE: Yes, it is.

Hon. Mr. McMEANS: I was going to congratulate him on the production of an entirely new Bill, and one which meets the situation admirably; but I would hardly consider it as an amendment.

Hon. Mr. REID: There is the name.

Hon. Mr. PARDEE: It looks very fair from the cursory explanation we have had of it, but it appears to me that all claims of \$50 and under should be paid in full. 35 per cent makes no dent in \$50.

Right Hon. Sir GEORGE E. FOSTER: But that is a substantial change. Everyone is treated on an equality. Hon. Mr. PARDEE: I thought it might be well that the Committee should take into consideration the question of paying in full claims of \$50 and under.

Hon. Sir JAMES LOUGHEED: The man with \$50 would then get more than the man with \$100.

Hon. Mr. PARDEE: He might.

Hon. Mr. McMEANS: The honourable gentleman is not considering himself in this, I hope?

Hon. Mr. PARDEE: I never had a dollar on deposit in my life.

Hon. Mr. ROBERTSON: I would like to inquire of my honourable friend on what basis the Committee arrived at the conclusion that, with the elimination of all the classes and kinds of claims referred to, the amount would be reduced from \$5,400,000 to \$3,000,000. So far as the claims authorized to be paid are concerned, namely, those under \$500, you have definite information before you, as given by the liquidator this morning; but the 35 per cent, amounting to \$5,400,000 as contained in the original Bill. represented, I presume, 35 per cent of all the deposits. Now the Committee seems to have estimated somehow that the total amount would be reduced to about \$3,000,-000. I would like to know on what basis that conclusion was reached.

Hon. Mr. BEIQUE: From the figures which were given by the liquidator. The liquidator was asked what would be approximately the amount required after eliminating the several classes that have been eliminated under the provisions of this Bill, and he stated that to the best of his belief it would be from \$2,500,000 to \$3,000,000. He furnished us with a list of the claims, giving the different amounts and the number in each class.

Hon. Mr. ROBERTSON: I am much interested in hearing my honourable friend make that statement because of the fact that I understood, from listening in at the session this morning that the liquidator thought that information could not be obtained perhaps for days, or maybe a week. Therefore I was at a loss to understand how the Committee could make an estimate.

May I ask a further question in view of the fact that the liquidator made a suggestion at least that 35 per cent might be paid on all deposits up to \$2,000 instead of \$500?

Hon. Mr. BEIQUE: Up to \$500. S-39 Hon. Mr. ROBERTSON: The liquidator's suggestion as it appeared in the public press this afternoon was that 35 per cent be paid on all deposits up to \$2,000. Why did not the Committee regard that recommendation?

Hon. Mr. BELCOURT: The newspaper is wrong.

Right Hon. Sir GEORGE E. FOSTER: The reporter's mistake.

Hon. Mr. BEIQUE: Yes, the reporter's mistake.

Hon. Mr. ROBERTSON: Then it is only due to the liquidator that the statement should be corrected.

Hon. Mr. BEIQUE: The liquidator was very discreet. He limited himself to answering the questions put to him, and to giving proper information.

Hon. Mr. ROBERTSON: There is one feature of the Committee's recommendation that I want to heartily endorse, and that is the reference to members of Parliament. T happen to be a member of Parliament who had in the Home Bank a deposit \$3,000. approximately Ι of want to make a statement now, because a rumour been going has around the corridors of the building for the last three days that if this Bill came to a vote in the House my vote would be challenged. I want to announce to the House that I have no pecuniary interest whatever in this measure. When, a few days ago, I received a most pathetic letter, which I read to the House, I determined that no private interest would debar me from doing what I believed to be my public duty in this matter; and for the purpose of placing myself in such a position that I could cast a vote, I assigned all my interest in the matter to that crippled girl. T therefore want the Committee to know that they have not disappointed me at all by inserting the provision debarring members of both Houses of Parliament having claims as depositors.

Hon. Mr. BEIQUE: The provision in the Bill comes from the suggestion of one of the members of the Committee, who stated that he was making the suggestion at the request of one of the members of this honourable House who had a large claim, but who was determined not to avail himself of the provisions of the Bill. When that suggestion was made regarding Senators, we thought that it should be extended to all members of Parliament.

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Apart from the saving which is being made of the amount which it was intended to give under this Bill, I think there will be a very large saving from the fact that Parliament will refuse to acknowledge a moral responsibility. I am not aware of any legislation in which Parliament has acknowledged such a responsibility, it would have been a new departure, and any such action would be opening a new door. It would, first of all, be in conflict with the principle embodied in the Bank Act, a fact to which the honourable member from Montarville (Hon. Mr. Beaubien) called attention the other day; and it would be opening the door to much more serious claims from trust companies, whose operations are under the direction of the Superintendent of Insurance. If the country were to be made responsible because of the dishonesty or the errors of some employees or officials of the Government, the door would be opened to claims for hundreds of millions of dollars.

Hon. Mr. BEAUBIEN: This Bill has certainly removed a very serious objection—the one that has just been referred to. I do not approve of the principle of the Bill; but, presented in this very skilful form, I will not oppose it. May I ask one question, however? Do I understand that every claim amounting to over \$500 will be submitted with proof—

Hon. Mr. BEIQUE: Yes.

Hon. Mr. BEAUBIEN: —that the person holding that claim is in need of pecuniary aid—

Hon. Mr. BEIQUE: Yes.

Hon. Mr. BEAUBIEN: —and that if that is done the Commissioner is free to give the amount which he thinks is needed?

Hon. Mr. BEIQUE: Not exceeding 35 per cent of the amount of the claim approved by the court.

Hon. Mr. BEAUBIEN: I am just calling my honourable friend's attention to the drafting of this clause. I do not see anything in the clause that states that. I may be wrong.

Hon. Mr. BEIQUE: Clause 2 says:

From and out of the Consolidated Revenue Fund there may be paid and applied an amount not exceeding \$3,000,000, for the purpose of paying, under the provisions of this Act, to the several persons who were creditors of the Home Bank of Canada, hereinafter called "the bank", when the bank suspended payment, for money on deposit or in current account, the amounts to which they are respectively entitled as hereinafter provided: but in no case shall any payment so made exceed 35 per centum of the claim of the creditor as settled and approved by the court in the winding up proceedings.

This applies to all claims. Hon. Mr. BEIQUE. Hon. Mr. ROBERTSON: That says, "not to exceed 35 per cent." Does that give the Commissioner discretion to say 10 per cent?

Hon. Mr. BEIQUE: Of course.

Hon. Mr. ROBERTSON: Is not that in conflict with the Bill itself? If Parliament cannot change that, how can the Commissioner do so?

Hon. Mr. BEIQUE: No, I do not understand that.

Right Hon. Sir GEORGE E. FOSTER: I just wish to make this one statement. Although on the principle of the Bill I expressed my views very decidedly, and hold them in exactly the same way now, yet I do not propose to make any objection to the passage of the Bill as it has been arranged. One of the chief things that has made that more easy is the fact that we are no longer under the obligation of a moral claim.

Hon. Sir JAMES LOUGHEED: I am opposed to discretion being left to the Commissioner to reduce the percentage. If he finds that a case comes within the class of compassionate claims, then he should pay the 35 per cent. I do not see how you can carry out any uniform distribution of this amount by varying the percentage. It seems to me that is a very unsafe doctrine to lay down, or to try to apply. Why should he not pay 35 per cent?

Hon. Mr. BEAUBIEN: On big amounts?

Hon. Sir JAMES LOUGHEED: No. There would be no large amounts.

Hon. Mr. BEIQUE: I submit that it would not be logical and in accordance with the preamble of the Bill. The Bill is based on this, that, as regards small claims, to save expense and trouble—

Hon. Sir JAMES LOUGHEED: Oh, yes, we are dealing with cases over \$500.

Hon. Mr. BEIQUE: But suppose a person is a creditor for \$100,000.

Hon. Sir JAMES LOUGHEED: There are no cases of that kind.

Hon. Mr. BEIQUE: I do not know. Suppose there is a creditor to the amount of \$50,000. Where would be the justice, the fairness, and the logic, when others who are in need can only get 35 per cent, of giving 35 per cent to the man having a claim of \$50,000 when he may be in need of merely \$10,000 or \$15,000? I think it would not be logical.

Hon. Mr. ROBERTSON: My honourable friend then must necessarily revise his remarks

of a short time ago, when he said the liquidator estimated that \$3,000,000 would cover the needy cases. Surely the liquidator cannot have any knowledge of what are needy cases and what are not; therefore he could not make an estimate unless it was based on the 35 per cent payment.

Hon. Mr. BEIQUE: Of course we think that in fixing the amount we make it large enough to cover all emergencies. Presumably the discretion given to the Commissioner will be properly exercised and the principle of the Bill acted upon.

Hon. Mr. ROBERTSON: Then it is obviously my honourable friend's expectation that the amount named in the second section of the Bill will not all be used.

Hon. Mr. BEIQUE: I hope it will not.

Hon. G. G. FOSTER: The impression of the liquidator was that \$2,000,000 or \$3,000,000 or \$4,000,000 would square everything. We adopted \$3,000,000 in order to make sure that there would be enough to pay all the expenses.

Hon. Mr. DANDURAND: According to what my honourable friend says, even if the Commissioner allowed all the claims outside of those that are barred, \$3,000,000 would cover the amount?

Hon. G. G. FOSTER: Everything, including the expenses.

The amendmenet was agreed to.

On section 3—creditors for money or deposits, or current accounts, defined:

The Hon. the CHAIRMAN: In the last line of the clause as printed in the Bill, after the word "collected" insert "by the bank."

The amendment was agreed to, and section ; as amended was agreed to.

On section 4—no payment to person or Government entitled to charge upon assets, or bank or banking correspondent:

Hon. Mr. ROBERTSON: May I ask my honourable friend on what principle the Committee based their decision that all these associations and fraternal societies should be exempted?

Hon. Mr. BEIQUE: Because it is presumed that the loss to each of the members would be very small, if it is distributed among such a large number of persons in each society.

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Hon. Mr. ROBERTSON: That may be true in some cases, but the amounts in the aggregate in some instances are quite large. I would point out, for example, the municipality of Fernie, which I understand sustained a loss of over \$100,000.

Hon. Mr. BEIQUE: I would add that this, strictly speaking, would not be necessary. They would be excluded because of not coming within the principle of the Bill, the principle being that indemnity is granted only in case of need. A municipality cannot be in need, within the meaning of the Bill.

New paragraphs (c), (d) and (e) were agreed to.

The Hon. the CHAIRMAN: It is proposed to add as paragraph (f):

(f) any Senator or Member of the House of Commons of Canada.

Then the words:

Any question arising under this section shall be determined by the Commissioner, and his decision shall be final.

The amendment was agreed to.

Clause A, subsections 1 and 2, were agreed to.

On Clause A, subsection 3:

Hon. Mr. BEIQUE: The honourable leader of the Opposition (Hon. Sir James Lougheed) suggested that it might be better to authorize the Commissioner to delegate his powers. The Committee did not think that it would be desirable to do that.

Hon. W. B. ROSS: I think the honourable leader on this side will waive his objection about that.

Hon. Sir JAMES LOUGHEED: Is it understood that the Commissioner will go throughout Canada and settle those claims? That is the only way he can do it effectively.

Hon. Mr. BEIQUE: The Commissioner, as a Judge of the Exchequer Court, has for many years been holding court in all parts of Canada. I have no doubt he will go to any places where there are a large number of claims.

Hon. Sir JAMES LOUGHEED: I should like to see him go into all those centres personally to settle the claims.

Hon. Mr. BEIQUE. Yes, I think that would be better than to delegate his powers.

Subsection 3 of clause A was agreed to.

Subsection 4 of clause A was agreed to.

Clause B was agreed tc.

Sections 5, 6 and 7 of the Bill were agreed to.

Clause C was agreed to.

The preamble was agreed to.

On the title:

The Hon. the CHAIRMAN: The title is changed. It now reads:

This Act may be cited as the Home Bank Certain Depositors Relief Act, 1925.

The title as amended was agreed to.

Hon. G. D. ROBERTSON: Mr. Chairman, I would like to ask my honourable friend whether or not the Commissioner would have discretion in certain cases. A depositor of \$500 or less will get an adjustment without delay or cost. I brought to the attention of the House the other evening a case of which I had heard and known nothing until I received the letter. A cripple who had a deposit of \$2,800 was left without a dollar. Such a depositor may reside a considerable distance from the point at which the Commissioner is sitting, and it might be difficult, indeed impossible, to obtain the necessary expense money and to appear before the Commissioner.

Hon. Mr. LYNCH-STAUNTON: He does not have to appear.

Hon. Mr. ROBERTSON: The suggestion I wanted to make was that it ought to be made clear that the Commissioner should exercise discretion in cases of that kind and should make it possible for a person in those circumstances to appear before him.

Hon. Mr. BEIQUE: He has full power to do that.

Hon. W. B. ROSS: He has very wide powers.

Hon. Mr. DANDURAND: The honourable members of this Chamber have still in mind the trend of the discussion on the motion for the second reading. I took occasion to say that the Government had simply given effect to the unanimous resolution of a Comnittee of the House of Commons, which deslared that the depositors of the Home Bank had a moral claim in equity, that, the resolution having been adopted by the House of Commons, a mandate was given-I would say, somewhat imperatively-to the executive tc bring forward legislation on the lines of that report. The Government has brought down the Bill which is now before us. It felt that it ought not to attempt to distinguish between the various classes of cases when they were based upon a moral claim, and it Hon. Mr. BEIQUE.

proposed a sum which would provide 35 per cent to each depositor.

Now the Senate suggests that the principle be altered. It has a right to do so. We are here to agree or to disagree with the decision of the other Chamber. The Senate is proceeding on other lines. In the first place, it rejects the claim of a moral obligation. Secondly, it attempts to cover only the cases that are in need of compassion. Since this is the principle underlying the work of this Chamber, I would have preferred to see it carried right through, and I suggested that the Commissioner should examine into all cases and apply that principle to each. The Special Committee which prepared these amendments, and the Committee of the whole, have decided otherwise. They make an arbitrary rule that all depositors having \$500 or less to their credit shall receive 35 per cent. To that extent, I feel, we recognize the principle, which was contained in the Bill as presented to the House, of granting a uniform rate. The Special Committee had its reasons for fixing that limit and declaring that all depositors of \$500 or less should receive the 35 per cent. I have no mandate. I have not had an opportunity of consulting my colleagues on this matter. I will leave this work of the Senate as it is, reserving my right to express the opinion of the Cabinet, if it is confirmed by a resolution of the Commons. Without further protest we will let this Bill go to the other Chamber in the hope that it may meet with the approval of the Cabinet and the House of Commons.

Hon. Mr. McHUGH: I would like to say just a word, Mr. Chairman. In the distribution of the 25 per cent that was paid the depositors before, the liquidator instructed the Bank to pay the amounts on presentation of the bank books. Now, it would save a great deal of trouble on the part of the Liquidator, or the Commissioner, in going around, if amounts up to \$500 were paid in that way. I understand you are going to pay all depositors but one, to the extent of \$500. Why could that not be done through the banks? I might say that the Senator who had a deposit in that bank spoke only for himself, and not for members of Parliament generally who are in the category of those who are excluded.

Hon. Mr. BEIQUE: There need be no misapprehension about that. I am sure the Commissioner and Liquidator will arrange to facilitate the payment of those claims without any trouble at all, because they are recognized by the Bill. Hon. W. B. ROSS: The Liquidator mentioned that matter to-day; he said that would be taken care of.

The Bill was reported as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill, as amended.

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

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Bill O6, an Act for the relief of James Deverell.—Hon. Mr. Willoughby.

Bill P6, an Act for the relief of Anita Allcock.—Hon. Mr. Willoughby.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Saturday, June 20, 1925.

First Sitting

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

RAILWAY FREIGHT RATES BILL

SECOND READING

Hon. R. DANDURAND moved the second reading of Bill 181, an Act to amend the Railway Act.

He said: Honourable gentlemen, this Bill has for its object the granting to the Board of Railway Commissioners the necessary authority to fix and enforce a fair and reasonable rate structure for the Dominion of Canada. The members of this honourable House are all aware of the situation which has developed lately in connection with the enforcement of the rates which were granted by what is called the Crowsnest Pass agreement of 1897. Parliament decided last year that there should be no further suspension of that Act, and the result of that decision was that the Canadian Pacific Railway complied with the will of Parliament according to what it thought to be its rights under the Act, and limited its obligations to that railway system as it stood in 1897. The provinces affected lodged a complaint with the Railway Board, and asked that the rates be extended to the entire Canadian Pacific Railway system, and not confined to the limited area that that system covered in 1897.

Members of this Chamber are all aware of the decision which followed. The Railway Board decided that it was not bound by the agreement of 1897-that its powers under the Act in 1903 superseded that Act, and it refused the application of the petitioners. There was an appeal from that decision to the Supreme Court under two heads: first, as to the validity and binding nature of the Act of 1897, the Crowsnest Pass agreement, and as to the extent to which it should be applied. The Supreme Court decided that the Railway Board had erred in declaring that it was not bound by the agreement of 1897, and that that contract still held and was to be taken into consideration in the exercise by the Board of its powers as to the fixation of rates. On the second point the Supreme Court declared that the Canadian Pacific Railway was right in its interpretation of the Act, and was not bound to extend the privileges that accrued to the people of the western provinces beyond the Canadian Pacific system as it existed in 1897.

The result of that decision was to create confusion and chaos throughout the land, and it became apparent that something should be done to remedy the situation; therefore the Government brought to Parliament the present Bill. There are but two sections in the Bill:

(5) Notwithstanding the provisions of section three the powers given to the Board under this Act to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require; shall not be limited or in any manner affected by the provisions of any Act of the Parliament of Canada, or by any agreement made or entered into pursuant thereto, whether general in application or special and relating only to any specific railway or railways, and the Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable preference, on the ground that such discrimination or preference is justified or required by any agreement made or entered into by the company: Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the date of the passing of this Act, be governed by the provisions of the agreement made pursuant to chapter five of the statutes of Canada, 1897, but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur over all lines now or hereafter constructed by any company subject to the jurisdiction of Parliament.

(6) The Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities or of undue or unreasonable preference, respecting rates on grain and flour, governed by the provisions of chapter five of the statutes of Canada, 1897, and by the agreement made or entered into pursuant thereto, within the territory in the immediately preceding subsection referred to, on the ground that such discrimination or preference is justified or required by the said Act or by the agreement made or entered into pursuant thereto.

4. To remove doubts the tolls specified in tariffs filed at any time prior to the passing of this Act, with the Board in accordance with the provisions of The Railway Act, 1919, are and shall be deemed lawful tolls until varied by tariffs filed with the Board pursuant to this Act, notwithstanding the provisions of any Act or any agreement, and notwithstanding any judgments or orders made, at any time prior to the passing of this Act, with regard thereto.

The limitation of the powers of the Board applies to the rates to be fixed on flour and grain, which still remain under the operation of the Crowsnest rates agreement.

I believe that this legislation will appeal to the judgment of this Chamber and to the country generally. The Railway Board has been constituted specially to control the administration of the railways as to rates, and it is especially fitted to fix those rates. I do not suppose that any member of this Chamber would venture to express the opinion that we are in a better position than the Board of Railway Commissioners to apply that Act. I think we have reason to be proud of the work performed by that Board.

I may be told that if the Board has all the necessary qualifications to do that work, there is no reason why it should be hampered in the least in exercising that function from A to Z. My answer to that is that there is a strong feeling throughout the country among thinking men that we are so geographically situated that in order to reconcile our differences we should approach in a broad spirit of toleration and compromise these questions upon which the East and the West seem to have conflicting interests. It has been said that the art of politics is that of compromise.

There is a sentiment in the East that our farming population in the West, being so far from the seaboard, need some compensation or help in the way of greater transportation facilities. They feel the pinch to such an extent that they have turned their eyes towards the Hudson Bay. They thought that they heard the murmur of the waves at no great distance, and that they might perhaps find an easy way to solve their great problem, by making a dash to the nearest sea water. I mention that in order that honourable gentlemen may realize how serious are the interests of the farmers of the three Western provinces.

I realize that the opening of the Panama Canal has given an outlet to those farmers at least who live in the province of Alberta, and has provided an avenue of considerable advantage to them. I suppose that most of the Alberta farmers turn their eyes towards the port of Vancouver, which has the advantage of being nearer to them and of being an open port during the twelve months of

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the year. We all wish success to the port of Vancouver. We hope that the troubles which our farming community in Alberta and Saskatchewan have had will be somewhat reduced by the opening of this new route; yet I am quite sure that our people in the East will not begrudge the little advantage that is retained in this Act in favour of the growers of wheat and other commodities in the Western provinces.

Hon. J. D. REID: Honourable gentlemen, I would like to say a few words on this Bill. In the first place, I object that a Bill of such great importance should be brought down to the Senate at such a late hour. This Bill affects almost every citizen of Canada from the Atlantic to the Pacific, and yet it must go through without the members of the Senate having an opportunity of getting it before our Railway Committee, where it should go, and having evidence brought before us in order that we might vote on it intelligently.

With regard to the question of freight rates throughout the Dominion, I agree to them being placed entirely in the hands of the Board of Railway Commissioners, and I do not think I would have any quarrel with this Bill if it simply allowed the whole rate question to be taken up and settled by that Board.

The honourable leader of the Government in his closing remarks stated that we in the East should give and take a little, in order to promote greater harmony throughout the Dominion. In my judgment this Bill is going to have the very opposite effect. The farmers of the West are given special freight rates on wheat and flour from the West to Fort William and Port Arthur, and the honourable gentleman and his Government take great credit for that so far as Alberta, Saskatchewan and Manitoba are concerned. The honourable leader speaks of Vancouver as one of the greatest ports in the West. That is where the grain is going; but this Bill does not provide that the farmers of Manitoba, Alberta and Saskatchewan shall have equal rates from those three provinces to the Pacific coast, if grain can be shipped cheaper to Vancouver and around by the Panama Canal. Is that not likely to cause strife and trouble in British Columbia? Are the people of that province not liable to take the position that while they have a seaport which they want to build up, they are discriminated against as to getting a portion of that traffic?

If the rates from those three provinces to Port Arthur and Fort William are to be reduced, British Columbia need not expect that Vancouver or other British Columbian ports will become the great ports that the people there now believe they may be. Therefore I say that this Bill will possibly have the effect of causing the citizens of British Columbia to feel that they are being discriminated against. I believe that, so far as British Columbia is concerned, peace and harmony, would be promoted by leaving this whole question to the Board of Railway Commissioners; then those people could put their case before the Board, showing their facilities, and might possibly get a portion of that traffic. A Bill of this kind should include the agreements that have been made and lived up to by every Government since Confederation. Why does it not include those other agreements? True, they were not made under an Act of Parliament; but they were made at Confederation, and so far as I know every Government has carried them out up to the present time. I refer to the Intercolonial Railway. The provinces of Nova Scotia, New Brunswick and Prince Edward Island came into Confederation on the understanding that the Intercolonial should be operated without profit; but there is at the present time a feeling in those provinces, at least a portion of them, that they are being unjustly treated: that that agreement is being violated; that the rates on the Intercolonial have been increased to such a degree that they are unable to do business with other parts of Canada. If you put through this Bill, what will the Eastern provinces say? They may say: "Owing to your giving such low rates to the West, discriminating in their favour, up must go the rates between Montreal and Nova Scotia and Prince Edward Island." Is not this discrimination likely to cause ill-feeling and unrest in the Lower Provinces? Why should they not be placed in a position similar to that of the West? Let the Board of Railway Commissioners deal with the freight rates, but let them always have notice from this or any other Government, even though there is no Act, or, if necessary, pass an Act-that, so far as the Intercolonial Railway is concerned, the Maritime Provinces must have the benefit that was given to them by verbal agreement at the time of Confederation. I believe that this Bill will cause ill-feeling and unrest in the Lower Provinces.

Then we come to the two central provinces —Ontario and Quebec. The freight rates there may be increased on account of the advantages given to other parts of Canada; but I do not believe that those provinces will object, even if their own rates are a little higher, so long as the rates fixed promote the further development of all the Western provinces, allay the unrest in the Lower provinces and pro-

mote good feeling throughout this Dominion. We in the older provinces, I believe, would do more than perhaps we should do, in order to have a united citizenship and prevent illfeeling anywhere in Canada.

I do not know whether or not my feeling is shared by other members of the Senate, but, in my opinion, to bring into the Senate within 24 or 48 hours of prorogation a measure of such importance as this is not fair. We should not act simply as a rubber stamp. That is exactly my position. How can we give sufficient time to the consideration of this Bill? Why, I find on my desk this morning another very important Bill—one of 88 pages. If you started now, you would not have time to read that one Bill through before Parliament closes.

Hon. Mr. DANDURAND: I informed the Chairman of the Committee who considered that Bill that we would give it about three weeks' attention.

Hon. Mr. REID: We would, here? The honourable gentleman speaks for the Government in taking that position. Then I hope We shall see whether he will adhere to it. I venture to say that he he does or not. will do just the same as ever. He will get up and explain the Bill-and he can do it well -there is no man who can put a case better than he, no matter how bad it is-and he will Now, take this very Bill. ask us to pass it. Is there any reason under heaven why the Government should not have introduced it first in the Senate, where we have been sitting around for weeks waiting for Bills? We could have heard the evidence and sent the Bill back to the House of Commons-yes, and have given that House weeks to consider it, after we had revised it and put it into proper form.

I wish to enter my protest against the introduction of such an important measure in this House at this time, and I want to emphasize what I have already said, that in my judgment this Bill, intended to remove all this ill-feeling, will in the end increase it. It does a gross injustice to all concerned. It is grossly unjust to the farmers of the West in not enabling them to use British Columbia ports as well as others. To no part of Canada does it do a greater injustice than to the Maritime provinces, by putting the Intercolonial Railway in such a position that their rates must be raised on account of the reduction given the West; and when it is seen that the unrest has not been stopped, but has been made worse, that serious enmity has been developed between the different parts of the Dominion, this statute will have to be amended next Session. If there is an amendment, I hope the Government will see that it is presented in the Senate first, so that we may have time to give it proper consideration. If it is introduced here, I am satisfied that the Senate can put it into proper shape—yes, much better shape than this Bill is in now—and it will go to the Commons in plenty of time for them to do any further work on it that they may think necessary.

Hon. C. E. TANNER: Honourable gentlemen, I realize that at this stage of the Session there would be no profit in prolonging this discussion, but I wish to associate myself with the remarks of the honourable member from Grenville (Hon. Mr. Reid) so far as these relate to the province from which I come. T desire to go on record as protesting against the incorporation in this Bill of a specific rate for Western provinces. Personally I should favour turning over the whole question of railway rates to the Railway Commissioners and giving them a free hand. But the Government are not doing that. They are choosing out three of the provinces-against which I have nothing whatever to say-and giving them favourable rates on their products. The ground, as I understand it, upon which those special rates are made, is that the grain crop is a very important factor in the prosperity of the West. With that statement I have no quarrel; but I want to say that proportionally the products of the province from which I come are of just as much importance to Nova Scotia as the products raised in the Prairie Provinces are to the West. Consequently I say that if this Parliament is going to favour one province because of the importance of its products, logically it should favour other provinces which are proportionally as much interested in their products. Coal and fish are the life of Nova Scotia. If the Western provinces are entitled to special rates for grain. then I say Nova Scotia is entitled to special rates for coal, fish, lumber and its other products.

Hon. Mr. McMEANS: Honourable gentlemen, I want to point out to the House that this Bill makes no provision with respect to the agreement that was entered into by the province of Manitoba with the Canadian Northern Railway in 1901. The consideration of the contract was that the province should hand over to the Canadian Northern Railway the leases, for 99 years, which they had obtained from the Northern Pacific. The Northern Pacific had at that time built some branch lines into Manitoba. I need not go into the history of the matter. The Government, instead of Hon. Mr. REID.

granting further aid, took over those lines on lease for 99 years. Then they assigned the leases to the Canadian Northern under a provincial statute, which was ratified, I believe, by the Dominion Government, and which provided for the control of rates. It has been argued throughout the country that the Railway Act superseded the contract entered into between the Manitoba Government and the Canadian Northern. The province of Manitoba was not satisfied with that contention; so it took the matter to the courts. The case followed the usual course and came before the Supreme Court of Canada, which held that the Railway Act did supersede the contract. The Government of Manitoba appealed to the Privy Council, and the appeal is pending. It will probably be decided in October.

One of the objections that I have to this Bill is that it does not save the rights of Manitoba pending that appeal. Surely honourable gentlemen will at once realize the justice of the position, that as the case is pending before the Privy Council and is to be decided in two or three months, it is neither just nor fair that any Act of Parliament should wipe out their rights. I merely mention this now, on the second reading of the Bill, but I intend to move an amendment when the Bill goes to Committee.

Hon. J. G. TURRIFF: Honourable gentlemen, a great deal has been said about this Bill giving special privileges to the West in the way of freight rates. I wish to point out that this Bill, instead of giving special privileges, is taking away privileges that were given to us in the West by Act of Parliament. One item, wheat and flour, is left as it was, but twelve or thirteen other items are cancelled. I do not see that that is giving us very much. Furthermore, why should not the Prairie provinces get rates on wheat and flour going to the Pacific equal to the rates on those commodities when shipped via Montreal? Why should all the West be discriminated against? Why should not Vancouver be given the same rates as Fort William, for the same product? This Bill will cause a great deal of dissatisfaction in British Columbia, as well as in the three Prairie provinces. There will be continued agitation with respect to the discrimination made against Vancouver; and the agitation in the three Prairies provinces because of the removal of privileges that we received under Act of Parliament, with respect to the items other than grain and flour, will be very much increased. There ought to be the same freight rates from the prairies eastward and westward. Vancouver is coming

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now to take a large portion of the wheat traffic to the Old Country and to foreign markets from all of Alberta and from the western half of Saskatchewan. It will take I imagine, close to half of the wheat that is produced on the prairies and until the rates are made equal West and East there will be dissatisfaction. You had only to read the press of the West during the past month or two in order to see the dissatisfaction that exists and will continue until those rates are equalized. You cannot get away from that. The country bought and paid for the concessions in what are known as the Crowsnest rates. The Canadian Pacific Railway received over \$3,000,000 in cash subsidy in consideration of the maximum rates fixed by the original Crowsnest agreement, and the Canadian Pacific Railway afterwards, of their own accord, reduced the rates. Now, all that we are retaining out of that agreement is the rate on one product in the form of either wheat or flour, going one way. It is retained only to the extent of one-half; for we have all been expecting that probably half of our crops would go by the western route. It would be of a great advantage to the Prairie provinces to have equal rates to the West. Vancouver is an all-year port. If in the present season the favourable weather continues for the next six weeks, there will be the greatest congestion that there ever has been, and if we could ship westward as cheaply as we can eastward, the congestion would be relieved. The port of Vancouver handled last year and the year before around 50,000,000 bushels, and with its great elevator accommodation for wheat, and the fact that it is an ocean port open the year round, the danger of a blockade of any kind would be obviated.

This Bill will, also, as my honourable friend from Grenville pointed out, discriminate against the Lower Provinces. There is no question of that. They are entitled to consideration.

We have hardly had a chance to consider what the effects of this measure are going to be.

Another Bill that means a great deal to the West is the Grain Act. I do not suppose any honourable member of this House has had time to look at that Bill. I received a copy on my desk a day or two ago, but the Senate has been so busy, in these dying days of the Session, that I have not read a single clause of that Bill—do not know what is in it and have no possible chance to study its effect. It is pitchforked in to us, to be passed. I say we ought to take my honourable friend the leader of the Government at his bluff, and if he wants to have us consider it for three weeks, we ought to be willing to stay here and consider it for that length of time, and let the House of Commons, whose fault it is, stew in their own juice for a little while.

Hon. Mr. DANDURAND: I will make an offer to my honourable friend. The Grain Act has not yet passed the House of Commons, but copies have been distributed here. I presume it concerns particularly the representatives of the Western provinces.

Hon. Mr. TURRIFF: Yes, largely.

Hon. Mr. DANDURAND: If these honourable gentlemen will make it their business between now and, say, Monday evening—

Hon. Mr. REID: Working on Sunday?

Hon. Mr. DANDURAND: Well, instead of playing golf. If they will make it their business to read that Bill, which concerns them particularly, and if, having examined it, they return to this Chamber on Monday evening and say that it ought to be passed by Parliament, the other members will accept their judgment.

Hon. Mr. REID: I do not know about that. It affects us in Ontario too.

Hon. Mr. DANDURAND: Then my honourable friend will perhaps read the Bill himself between now and Monday evening. If the honourable members who are most concerned in this Bill think that it needs serious consideration and complete overhauling by a Committee of this House, I will not hesitate one moment to agree to send it over to next Session.

Hon. Mr. GORDON: May I ask if the word "grain" covers the coarser grains? Or what is it intended to cover?

Hon. Mr. DANDURAND: My honourable friend is very likely in the same position as I am—I have not yet read the Bill.

Hon. Mr. GORDON: I have read this Bill.

Hon. Mr. TURRIFF: My honourable friend the leader of the Government makes a suggestion. Well, if the members from the West were all as clever and as able as my honourable friend is, they might, between now and Monday night come to understand the Bill and find out whether it was satisfactory or not. Speaking for myself, I have not that ability. If I were to spend every moment from now to Monday night on the Bill, I would still have a great deal to learn about it. So that bluff of my honourable friend's is just as good as the bluff he previously made.

Hon. Mr. TANNER: What is the honourable gentleman's judgment? Would the country suffer very greatly if the Bill were postponed to next Session.

Hon. Mr. TURRIFF: Well, I don't know that it would, but there has been a great deal of time expended on making the Act satisfactory; there has been a big investigation during the past year, and I do not know what suggestions have been made to improve the Act. I have not been able to read one section of the Bill; but I do not think it ought to stand over to another Session. I think that the Senate, which is supposed to look over legislation and improve it, should have an opportunity to do so; but there is not the slightest opportunity given us to do that when we know that it is the intention of the Government to prorogue Parliament by the middle of next week. I for one want to protest against that.

Hon. Sir JAMES LOUGHEED: How long would you stay here?

Hon. Mr. TURRIFF: Well, I would stay here until we could give full consideration to this Bill, the Grain Act, and any of the other important measures that have been thrown at us during the last three days. If you take those Bills, I think you will find that they represent more than half of the work of the whole Session, although we have sat here for four or five months.

Hon. JOHN McCORMICK: Honourable gentlemen, I want to associate myself with the remarks of the honourable member from Grenville (Hon. Mr. Reid) and the honourable member from Pictou (Hon. Mr. Tanner). Not only is there no provision in this Bill for giving some redress to the Maritime Provinces, but it is propsed to put an additional burden on the Eastern Provinces. I want to know on what ground the rates on flour and grain from the Prairie Provinces are fixed, and why it is provided that not more than the maximum rate charged on those products under the Crowsnest Pass agreement is to prevail. As we know, the rates under that agreement were made in 1897, when the cost of operation was very much less than it is to-day; and to ask parts of the Dominion other than the West to pay the deficit that will be incurred on the rates on those articles, which will be less than the cost of operation, is neither fair not just. Grain and flour and other agricultural products in 1923 constituted 28 per cent of the entire freight traffic of the railways of Can-Hon. Mr. TURRIFF.

ada, but it must not be forgotten that the manufactured products of this country constitute no less than 24 per cent. Are the manufacturers going to be asked to pay not only the cost of transporting their products, but in addition the shortage that will result from the application of these rates on flour and grain?

I do not agree with the contention made by the honourable gentleman from Assiniboia (Hon. Mr. Turriff) and the honourable gentleman from Winnipeg (Hon. Mr. Mc-Means) in reference to the agreements that were made with the Canadian Northern and some other independent railways which are now part of the Canadian National system. The Canadian Northern was built by subsidies, and now, because of conditions which were forced upon the Government, it is part of the Canadian National railway system. Take my own Province of Nova Scotia. Down there we are suffering under disadvantages with regard to the great fishing industry, and the same applies to the great coal and steel industry of that section. The people of that province will now be put at a further disadvantage. I commend the Government for endeavouring to come to some settlement of this question. If they were to say that the charges on flour and grain would be not less than the actual operating expenses, without taking into consideration charges upon capital, I think that Nova Scotia and the other Maritime Provinces would say that an earnest effort was being made to remedy matters by putting the question in the hands of the Board of Railway Commissioners; but, as the Bill stands, there will be discontent in the East and in the Central Provinces, as well as in the West. According to a good authority, the Secretary of the late Minister of Railways, and one of the most capable men who was ever in the Department of Mr. Blair, the railway rates in Canada at the time when the Transcontinental was being carried through were the lowest in the world. He also stated that the rates for agricultural products were 15 per cent less than those across the line.

In conclusion, I want to commend the Government for making an attempt to settle this question, but I also want to voice my objection to other parts of Canada being compelled to pay exhorbitant rates in order that this concession can be made to the Prairie Provinces.

Hon. Mr. BEAUBIEN: I am very much in sympathy with those who oppose the principle of this Bill as it is drafted. The only ground on which the Government can expect commendation, or even tolerance, in presenting a measure of this kind, is that it is absolutely necessary, in order to coordinate freight rates through this country, to ignore every contract that has hitherto been made. To my mind there is no other principle than can justify this Bill. The province of Manitoba made an agreement with the Canadian Northern, for which it gave substantial consideration; yet even before that agreement is judged by the final tribunal, this Bill wipes it out. The only thing that is left of all the agreements which were made, is a part of an agreement for which the western provinces have given no consideration.

Hon. Mr. SHARPE: Does the honourable gentleman think that the Government are justified in wiping out that agreement which Manitoba made, pledging all the resources of Manitoba to the Canadian Northern?

Hon. Mr. BEAUBIEN: No, I disapprove of that entirely, and I say that if meritorious agreements of that kind are wiped out, this Government has no right to maintain another agreement for which no such consideration was given.

Hon. Mr. SHARPE: But the Government gave the Canadian Pacific Railway \$3,000,000 or \$4,000,000 for the concession of the Crowsnest agreement.

Hon. Mr. BEAUBIEN: I must apologize for being obscure in my language. Without any doubt the people of Canada have given the C.P.R. consideration for the Crowsnest Pass agreement. That, of course, is the reason why the whole country has some right to complain. The people of Canada gave the C.P.R. a subsidy, and it is the people of Canada who tc-day release them. To my mind that is very different from the position Manitoba holds to-day on her own special agreement, for it was not the people of Canada who gave the Canadian Northern the special subsidies and advantages contained in that agreement, but Manitoba. I rise in protest because I believe those rights are sacred, and if you violate them in Manitoba you can violate them in any province.

The Maritime Provinces at the present time constitute the tragedy of Canada. They have a claim on us, and in the matter of transportation there is no part of the country that has as sacred a claim. The old tragedy of history in the time when war was barbarous, when a part of their population was removed by the hands of soldiers, is being re-enacted by the policy we are following in our treatment of the Maritime Provinces. The only difference is that now hunger and need and not the hands of soldiers are driving the population out of the Maritime Provinces. These provinces have a claim with regard to transportation prior to that of any people in the land, because they did not enter Confederation without an absolute promise that satisfactory transportation would be given to them. In my opinion, the tragedy in the Maritime Provinces is in great part due to the fact that they have never had transportation such as would compensate them for abandoning the trade routes with the United States that made them prosperous before Confederation.

In what position are we to-day? The Government blindly sets aside agreements which should bind it and retains the Crowsnest Pass for a portion of the people only. It maintains that privilege, knowing that it is going to cost the whole country, and more particularly the people of the Maritime Provinces, a large amount of money in extra taxes.

To my mind the principle of this Bill is false, first, because it violates agreements that should be considered sacred; secondly, because it preserves under a special privilege only a portion of one agreement; thirdly, because the result will be additional losses to our railway, and therefore the imposition of unjust taxes all through the land, especially on the people of the Maritime Provinces, who have never received due consideration from the Confederation, which they entered on special conditions.

Hon. Mr. SHARPE: Honourable gentlemen, I wish to protest against this Bill. I do not consider that, as framed, it is at all along the right lines. Manitoba entered into an agreement some years ago, putting up all her resources for it, and the Dominion Government ratified that agreement. Now this Government wipes it out entirely, and says we in Manitoba have no rights at all. I protest in the strongest way against this Bill going through.

Hon. Mr. TAYLOR: Honourable gentlemen, it is not news to the honourable leader of this House that this Bill as presented is an offence to public sentiment in British Columbia. The Government of which he is a member has been memorialized in great detail and very persistently for years by the Boards of Trade and other spokesmen for the business interests of British Columbia, demanding equalization of rates. Not only so, but there have been camped at the door of this Government for months its political friends from British Columbia, demanding in thunder tones that the equalization to which British Columbia is entitled shall be given to her. The answer to that demand comes in this Bill, which not only perpetuates an injustice to British Columbia with respect to the old Crowsnest Pass agreement, so far as freight rates are concerned, but extends it over a large number of points not provided for in the original agreement, thereby aggravating the injustice to the trade and prospects of that province.

I would remind the honourable gentleman and his Government that British Columbia has a specific agreement in the terms of union with Canada, whereby she is guaranteed equal treatment with any of the other provinces of Canada in regard to all public services. There seems to be no room for doubt that the discrimination effected by this Bill, providing for transportation from the interior provinces of the West towards the Atlantic at a lower rate than can be secured from those provinces to the Pacific, is a direct violation of the agreement with British Columbia.

I would like to know what reason, if any, exists for not providing in the Bill for an extension of the Crowsnest agreement as to flour and wheat to traffic westbound to British Columbia, as well as traffic eastbound to Fort William.

Hon. Mr. GRIESBACH: There is an aspect of this case that should not be overlooked. The Crowsnest agreement had pronounced usefulness when it was first inaugurated, but since it was entered into in 1897 great communities have grown up in the province of Alberta which to-day receive no benefit at all from that agreement, while the enforcement of the rates under it, especially in the northern part of Alberta, causes chaos and confusion, as well as rank discrimination against whole new communities in that part of the country. This is so obvious to everyone that some change or revision, some attempt to deal with a serious situation, is necessary, and this is the Government proposal.

I join with those who ask the Government why there has not been the same consideration for grain and flour shipped westward as there is for those products shipped eastward. This is the Government's solution of a serious situation. If we by any chance should reject this Bill, the situation resulting in the northern part of Alberta would be infinitely more serious than it will be under the Bill if we pass it. I want to put that point of view before the House.

Hon. Mr. BLACK: As a Maritime man I cannot resist again calling the attention of the House to one or two features which Hon. Mr. TAYLOR.

vitally affect the three Maritime Provinces. It is not necessary for me to refer to the very serious condition which already exists in those provinces, and which has been so well described by the honourable member from Quebec province (Hon. Mr. Beaubien). We had a very practical and emphatic demonstration of that condition this year when an enormous delegation, representing practically all the business interests of those three provinces, appeared in Ottawa.

It is worth while to call attention again to the implied agreement at Confederation by which we were to be given adequate railway communication and transportation facilities in consideration of abandoning our natural market. For a short time the Maritime Provinces, through the Intercolonial railway, enjoyed a reascnable degree of traffic facilities; but since the days when Andrew G. Blair was Minister of Railways, we have not enjoyed what is due to us. On the contrary, traffic arrangements have been continually operating against the Maritime Provinces and slighting them.

In the Confederation pact we had not only an implied but an emphatic agreement that we were to be given reasonable transportation facilities. I understand that this Bill is an effort to give the Railway Board an opportunity to adjust freight rates on an equitable basis; but there is one very serious joker in it, and that is, that by the premises on which it is based it allows favourable consideration to a certain portion of the western part of Canada on grain and flour. If those commodities are omitted from the jurisdiction of the Railway Board an additional burden is immediately imposed on all the rest of the country, and in the conditions which now exist in the Maritime Provinces a very little additional burden will be the last straw that may break the camel's back.

Hon. Mr. DANDURAND: But my honourable friend has the burden already.

Hon. Mr. BLACK: But we are trying to get rid of it. That is what we are asking for; but you are not proposing to get rid of it: you are leaving it there. My honourable friend, in introducing this Bill, said there were certain contracts by which the Government was campelled to abide. All right, let us abide by them. The Parliament of Canada, under the leadership of a Government of which the present Government is the successor, gave a grant of \$30,000,000 to the Canadian Northern Railway, with an absolute guarantee that every bit of freight which originated on that road should go out through Canadian ports. This implied that during the seven or eight winter months the exports were to go out through Maritime Province ports. If this Bill is based on the principle that we are going to stand on agreements made by the Government, then I call on my honourable friend the leader in this House to embody in this Bill the same condition embodied in that agreement, so that in future all the products of Canada, or originating in Canada from any source whatever, shall go out through Canadian ports. This Bill does not reaffirm that condition in the agreement with the Canadian Northern, which has never been carried out.

In addition, if any favourable conditions are given to any part of western Canada, similarly favourable conditions should be given to the Maritime Provinces; because I say, with the greatest regret, that no part of Canada to-day is suffering such financial and commercial stagnation as are those provinces, the first and greatest cause of that condition being the excessive transportation rates both for freight and express.

I trust that before this Bill passes, the honourable leader of the Government will see that the rights of the minority—because we are a minority—are protected, and that justice is done to the Maritime Provinces as well as to that part of western Canada which is favoured by these special provisions.

Hon. Mr. DANDURAND: Honourable gentlemen seem to be in absolute ignorance of the action of the Government, or of the Committee of the Privy Council which sat in judgment on these matters, on an appeal from the decision of the Railway Commissioners. They seem to ignore the fact that a judgment has been entered which contains directions to the Railway Board in the examination and determination of the proper rates to be fixed when they try to equalize those rates.

Hon. Mr. BLACK: With a few reservations.

Hon. Mr. DANDURAND: With the reservation of the maintenance of the maximum rate on flour and wheat. I am ready to defend that, and if there is anyone who wants to challenge that advantage given the western provinces, if he is so inclined he may do so in Committee, and we will divide on that.

When it comes to British Columbia and the Maritime Provinces, the Cabinet has been as solicitous of the interests of those two large areas in the country as any honourable member of this Chamber can be; yet it must hold the balance even, and must see that the Railway Commissioners are vested with sufficient powers to do what is right in the equalization of rates. It has given directions to the Railway Commission, which are contained in the Order in Council P. C. 886, of June 5, 1925. I will not read the two pages containing a review of the judgment of the Supreme Court on the legal interpretation of the contract, but I will read the conclusions:

The Committee are of the opinion that the policy of equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada, and as being the method best calculated to facilitate the interchange of commodities between the various portions of the Dominion, as well as the encouragement of industry and agriculture and the development of export trade.

The Committee are further of the opinion that to give effect to this policy, and considering the submissions made by counsel and important trade organizations representing different provinces and localities in the Dominion as to the disadvantages that would be suffered by such provinces and localities by any partial or incomplete consideration of the freight rate structure, a thorough and complete investigation of the whole subject of railway freight rates in the Dominion should be carried out by the Board of Railway Commissioners, the body constituted by Parliament with full powers under statute to fix and control railway rates.

The Committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further development of the great graingrowing provinces of the West, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known, and therefore are of opinion that the maximum established for rates on grain and flour, as at present in force under the Crowsnest Pass Agreement, should not be exceeded.

The Committee are further of the opinion that, before such investigation is undertaken it is essential to ensure that the provisions of the Railway Act in reference to tariffs and tolls, and the jurisdiction of the Board thereunder, be unfettered by any limitations other than the provisions as to grain and flour hereinbefore mentioned.

The Committee therefore advise that the Board be directed to make a thorough investigation of the rate structures of railways and railway companies subject to the jurisdiction of Parliament, with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries, and in particular to:

(a) The claim asserted on behalf of the Maritime Provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919;

That is a direction to the Board of Railway Commissioners.

(b) The encouragement of the movement of traffic through Canadian ports;

That is an answer to the voice I have just heard.

(c) The increased traffic westward and eastward through Pacific Coast ports owing to the expansion

of trade with the Orient and to the transportation of products through the Panama canal.

That is an answer to my honourable friend from New Westminister.

Hon. Mr. TAYLOR: But your Bill does not follow that.

Hon. Mr. DANDURAND: My Bill simply proceeds to give power to the Board of Railway Commissioners to do those things—to try to equalize the rates throughout the Dominion, in order to permit of a free interchange of products in the Dominion, east and west.

Now, honourable gentlemen, I think this is one of the vital problems that have to be solved by this Parliament. It has been said that it took some courage on the part of the Government to present to Parliament the present measure. Of course we knew that these voices would be heard, that local interests would be felt, but we recognized that we must meet the situation squarely. There is chaos in part of the Northwest; there are recriminations in British Columbia because of the heavy freight rates to which it is subject owing to the existence of the Rockies; there is considerable depression and recrimination in the Maritime provinces. Are we to sit here and listen to the recriminations and the representations on behalf of the interests of all the provinces and try to incorporate in this Bill such terms as would be advantageous to each? The result would be more chaos. and we would have no structure which would help in the development of trade in Canada.

We have brought in this Bill, which I think must commend itself to the judgment of the House. The Board of Railway Commissioners have directions to examine the case of British Columbia and see what can be done. The Railway Commissioners know that the port of Vancouver is open and that great quantities of wheat are flowing westward. They know the conditions in the Maritime provinces-we indicate them in this Order in Council. If there is a principle that is violated it is in retaining an advantage-perhaps it is a large advantage-I hope it is-for the three provinces of the Middle West, but if the Senate on this score feels that it is in disagreement with the House of Commons, let it say so in Committee.

Hon. Mr. DAVID: Will the honourable member tell me how long the exception in behalf of the Prairie provinces will last? If the conditions of the country are changed next year, will the Board of Railway Commissioners be empowered to remove that exception?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: I believe that from time to time the Board of Railway Commissioners can review the rates subject to the conditions of this Act.

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

The Senate adjourned until 3 p.m. this day.

Second Sitting

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

Routine proceedings.

NATIONAL BATTLEFIELDS AT QUEBEC BILL

FIRST READING

Bill 205, an Act respecting the National Battlefields at Quebec.—Hon. Mr. Dandurand.

PRISONS AND REFORMATORIES BILL

FIRST READING

Bill 206, an Act to amend the Prisons and Reformatories Act.—Hon. Mr. Dandurand.

SMUGGLING TREATY BILL

FIRST READING

Bill 207, an Act for carrying into effect a Treaty signed 6th June, 1924, between His Majesty in respect of Canada and the United States of America, for the suppression of smuggling operations and for other purposes. —Hon. Mr. Dandurand.

EXCISE BILL

FIRST READING

Bill 234, an Act to amend the Excise Act. --Hon. Mr. Dandurand.

RAILWAY FREIGHT RATES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 181, an Act to amend the Railway Act, 1919.

Hon. Mr. Robinson in the Chair.

Sections 1 and 2 were agreed to.

On section 3—power to enforce fair and reasonable rate structure:

Hon. R. WATSON: Mr. Chairman, this matter of the Crowsnest rates is one that has interested Parliament, and particularly the West, for some years, and I have been familiar with the legislation on the subject, both in Manitoba and in the Federal Parliament at Ottawa. I remember that about six years ago, when it was suggested that the Crowsnest rates should be wiped out, objection was raised and the proposed amendment was withdrawn by the Government. In the following year it was re-submitted, after a canvass had been made, and the Senate and Commons passed a Bill to suspend, under the War Measures Act, the operation of the Crowsnest Pass rates for three years. That suspension continued until two years ago.

The Crowsnest bargain was not a charitable affair at all. As a matter of right, the people of Manitoba, Saskatchewan and Alberta were guaranteed those rates away back in 1897. At that time the C.P.R. wanted to extend their road into the Crowsnest Pass, and they came to the Federal Government and received aid in the form of a bonus to the extent of $3\frac{1}{2}$ millions, for the purpose of constructing their line, on condition, as part of the contract, that fixed rates were to be given to the company.

Conditions have changed to such an extent all over the world, particulaly in Western Canada, that an adjustment of rates is necessary. It is claimed by some honourable gentlemen that Manitoba, Alberta, and Saskatchewan are getting too much under this agreement. One change effected by this Bill which is beneficial to the West, and which removes the objection of my honourable friend from Edmonton (Hon. Mr. Griesbach), is that rates which previously applied only to the roads constructed along the southern boundary of the Province, are to be extended to all prairie lines.

Hon. Mr. GRIESBACH: You are quite clear on that point?

Hon. Mr. WATSON: Yes.

Hon. Mr. GRIESBACH: Your leader supports that view?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. WATSON (reading):

Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the date of the passing of this Act, be governed by the provisions of the agreement made pursuant to chapter five of the statutes of Canada, 1897, but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur over all lines now or hereafter constructed by any company subject to the jurisdiction of Parliament.

That makes it perfectly clear that the whole of the West is to have the benefit of the Crowsnest rates on grain and flour grain, of course, including wheat, oats and barley; and with that provision in the Act, we shall be in a btter position than we were previously. Therefore, as far as I am concerned, I withdraw any objections I had to this Bill.

The suggestion has been made that Manitoba has at present an appeal pending. It has; but in my judgment, that appeal will not prevail. The members of the Manitoba Government came to Ottawa in 1901 or 1902, I think, and asked that those railways should be put under the control of the Railway Commission.

Hon. Mr. SHARPE: No, you are wrong.

Hon. Mr. WATSON: I may be wrong, but I am inclined to think the courts will bear out that contention anyhow.

Hon. Mr. SHARPE: They may, but if you look up the debates of that day you will find that Sir Clifford Sifton and others made it very clear that the Railway Commission had no jurisdiction over the deal that was made by the Manitoba Government.

Hon. Mr. WATSON: I know. I took a very active part at the time-

Hon. Mr. SHARPE: I do not doubt it.

Hon. Mr. WATSON: —and I opposed the action of the Manitoba Government in handing the question over to the Railway Commission. However, that is a bygone, and whether or not the contention of the Province of Manitoba prevails, I think that the claims, apart from grain and flour, would make very little difference, and that we are getting a real benefit under this Act.

Hon. Mr. LAIRD: May I ask what, in the honourable gentleman's opinion, is the advantage that accrues to the farmers of northern Alberta by reason of the concessions extended, when, as a matter of fact, the new route to the Pacific coast is now open and will divert all traffic originating in Alberta to the Pacific coast?

Hon. Mr. WATSON: The advantage is this. It has been held that the agreement applied only to the railways that were constructed in 1897. Now its terms are extended to all the railroads in Manitoba, Alberta, and Saskatchewan.

Hon. Mr. LAIRD: Of what advantage is it to a railroad in northern Alberta if all its grain traffic is going to be diverted to the West?

Hon. Mr. WATSON: It will not hurt them even if the grain is going to Fort William.

Hon. Mr. SHARPE: Do I understand that my honourable friend would vote for this Bill and wipe out all the rights the Manitoba Government had?

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Hon. Mr. WATSON: I would rather take this Bill than take a chance of winning that case.

Hon. Mr. GRIESBACH: I would like to ask the Leader of the Government what the argument is in favour of the preferential rate on grain and flour moving east when there is no such rate on the same commodities moving west. I am curious to know what the argument of the Government is in that matter.

Hon. Mr. DANDURAND: Through the action of the Dominion Government the Provinces were given certain advantages under the agreement of 1897. I am not saying that those Provinces were parties to the agreement and that they have acquired rights. The Prairie Provinces have enjoyed those lower rates to this day. The Government recognizing the great handicap which they suffer by reason of the distance which they have to carry their grain to the head of the lakes, is disposed to give them the advantage of those rates in order to help in the developthat part of the country, ment of in order to make farming a profitable business, and in order to attract more immigration into the western Provinces, and thus benefit the whole of Canada. We are all awaiting the result of the next crop. My honourable friend from Assiniboia (Hon. Mr. Turriff) says that within the next six weeks we shall know whether we are to have a bumper crop or not. Not only are the farmers of the West interested in that great industry, but the whole of Canada. Now, we are giving the western Provinces that advantage, which some claim to be at the expense of the general taxpayers of the country. Well, it is a question to what extent we are losers thereby. It is a question whether the rate will not give a fair return, to the railways. At the same time, the Canadian Pacific Railway bears a part of the loss, if there be any. The Canadian Pacific Railway will not be able to turn to the taxpayers for compensation: it must bear that load, and we believe that it is fair that it should bear it because of the fact that it entered into that agreement in 1897 and assumed certain obligations. Mv honourable friend from Edmonton (Hon. Mr. Griesbach) says: "Why have you not thought of giving similar rates to the West?" That is a totally different proposition. Our friends from British Columbia complain of the considerably higher rates that they have to pay because of the higher cost of railway operation through the Rockies. They have been claim-ing that that is not fairly carrying out the terms under which they entered Confederation; that they were promised at that time Hon. Mr. SHARPE.

that there would be a fair interchange of products between their Province and the other Provinces. They were promised a railway that would bind them to the Dominion, and they say that under the terms or the spirit of the Act they should not be discriminated against. Well, this means the fixing of rates. Shall we here, in our wisdom, and with our meagre knowledge of railway traffic and railway conditions, decide what are fair rates to be charged, in consideration of the general interest of the country as well as that of British Columbia? I believe that we are not in a position to settle that question; and it is because we are not in a position to tackle that problem and to fix those rates-and the same argument applies with regard to the Maritime Provinces-that we have felt, as all thinking men have felt, that this is not the business of Parliament. Having constituted a body of men who have large experience, who are surrounded by competent experts, and who can hear all the interested parties, the railways, the Provinces, the Chambers of Commerce, and other public bodies, we believe that they are the proper persons to determine that Consequently the Government has matter. felt that the country at large would be agreeable to helping in the development and prosperity of the West, without which we cannot hope to obtain increased population in the three Prairie provinces.

This is the Bill which is before us. In the decision which the Privy Council rendered in the appeal of the three Prairie provinces, certain directions were given to the Railway Commissioners relative to the problems of the Maritime Provinces, the western Provinces, and British Columbia. I say that this Bill as it is should be accepted by this Committee.

Hon. Mr. REID: The honourable gentleman has just stated that the reason the Government is leaving the wheat and flour clause in the Bill is because of the Crowsnest Pass agreement of 1897.

Hon. Mr. DANDURAND: Primarily on account of conditions in the West, I should say.

Hon. Mr. REID: If I understood him rightly, just prior to lunch he said that there was an agreement made and that the people of this country or Parliament must respect that agreement. Then, again, if I understood him correctly, he claimed that the C.P.R., having got a subsidy, should give a lower rate.

While I am not making this argument for the purpose of defeating that part of the Bill, I should like to make a few remarks on that aspect of the question. If it is argued that because the C.P.R. got a subsidy in 1897, it should not increase the rates, although the cost of operation of railways has doubled or trebled, the same argument might apply to all the other Provinces. For instance, the Canadian Pacific Railway was given a line from Ottawa to Montreal; that line was given out and out. Subsidies also were given in the Province of Ontario; but because of those subsidies we do not consider that rates should not be increased. None of us believed that the cost of operation of railways would increase as it has done; in fact, when the subsidies were given we all believed that rates were likely to decrease.

The honourable gentleman has also referred to British Columbia. I understood that the argument of the honourable gentleman was that we must try to increase the population of the three western Provinces by giving them lower rates on their grain to the seaboard. Well, if I remember rightly, the distance from Edmonton to the Pacific seaboard is 600 or 700 miles; from Edmonton to the Atlantic seaboard is about 2.000 miles. The same is true in a lesser degree of the distance from points in Saskatchewan. Therefore, if the honourable gentleman is so anxious to increase the population and to encourage immigration by lower freight rates, why does he discriminate against British Columbia? If this Bill enabled the Railway Board to fix lower rates than those of the Crowsnest agreement, thus giving cheaper transportation to the farmers, I would say there is some argument for it; but I cannot see how they are being favoured by not being allowed to send their products to the Pacific coast on a fair basis.

Hon. Mr. DANDURAND: Does my honourable friend say that he is qualified to fix that fair basis better than the Railway Board?

Hon. Mr. REID: So far as I am personally concerned, I am free to admit that I know nothing about fixing rates or running railways; but I say that a body like the Railway Board does know, and I have the greatest confidence in them. But the Government will not permit the Board to fix the rates for those three provinces to the seaports on the Pacific, as well as to those on the Atlantic. That is where I say this Bill is unfair.

Hon. Mr. DANDURAND: If there is in this Bill provision for the maintenance of a lower rate on flour and grain eastward, and the Railway Board is asked to work towards the equalization of rates, does not my honourable friend believe that this will influence that Board in fixing rates that will be satisfactory

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to British Columbia, when they have the basis laid down in the Act indicating the rate from the West to the East? It seems to me that British Columbia stands to gain by the direction given to the Railway Board.

Hon. Mr. REID: In fixing rates the Railway Board must take the railways in the whole Dominion as they stand. They cannot say that the Crowsnest agreement gives a certain rate; they must fix a rate to British Columbia pro rata, as they would to any other place. Take Alberta: on account of the Crowsnest agreement the rate may be 20 cents to Fort William, and another 10 cents to Montreal, making 30 cents, and the Railway Board may give a rate of 30 cents from Alberta to the Pacific coast; but there is no advantage to the farmers of the West in that, although the distance to the Pacific coast is only 600 or 800 miles. If I remember rightly, the Canadian National can take just as large a train from Edmonton to Vancouver as it can to Montreal; therefore the rate should not be discriminative. If the Board is going to adhere to the Crowsnest agreement, made in 1897, when wages and cost of operation were very low so that there would be a loss to the railways, of course the other parts of Canada and British Columbia would have to bear a share of that loss, for the railways must earn expenses. If the Government are bound to make all the other parts of Canada pay this expense for the purpose of assisting the farmers in the three Prairies provinces, why not go further and give the farmers the advantage of the British Columbian ports?

Great stress was laid by the leader of the Government on the point that we must stick to the Act of Parliament. If so, why not stick to other Acts that have been passed?

Hon. Mr. DANDURAND: I did not say that at all.

Hon. Mr. REID: The honourable gentleman stated that because the Act was passed we must stand by it.

Hon. Mr. DANDURAND: No; we are recalling it.

Hon. Mr. REID: You are not recalling the main part of it.

Hon. Mr. DANDURAND: We are only giving the West favoured treatment on flour and grain.

Hon. Mr. REID: But this Parliament is fixing the rates that were agreed to in 1897 on certain articles.

Hon. Mr. DANDURAND: Two articles.

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Hon. Mr. REID: Those are really the main articles.

Hon. Mr. DANDURAND: On the contrary, I said that it was not a contract between those three provinces and the Canadian Pacific Railway; that it was a contract between the Government of Canada and the C. P. R., and that the Parliament of Canada could undo what it had done. I pleaded exactly contrary to the argument of my honourable friend.

Hon. Mr. REID: If it was an Act of the Parliament of Canada, there was another Act passed in 1911, making an arrangement between the Canadian Northern Railway and the Intercolonial for exchange of traffic. There was another Act under which all our traffic was to go to the Lower Provinces. Why does not the honourable gentleman respect those Acts, and also the agreement in an Act that was passed in 1901 by which the Canadian Northern, the Northern Pacific, the Manitoba Southwestern and others agreed that certain rates fixed by that agreement should not be exceeded? If we are to pass this Bill on account of the Crowsnest agreement, then Parliament should not violate those other agreements. We gave a subsidy of \$30,000,000 to the Canadian Northern Railway on the distinct understanding that every pound of traffic that originated on those lines should go to the eastern ports; but the Government is not seeing that that agreement is being carried out; there is not the traffic going to the Lower Provinces that should go. Of course, the reason is the difference of cost as between the ports of Halifax and St. John, and that of Portland; but even though profit were not made on the actual shipments, the traffic would bring business to the people in the Lower Provinces, and they would get a reduced freight rate. I say that if this Bill is submitted because of the agreement made in 1897, we should respect the other agreements, or else not base this Bill on that ground.

The Board of Railway Commissioners is the proper body to fix these rates, as it has the experience and the men who know what is right and just; but I do not think it should be put in such a position that in figuring out rates for either the western or the eastern provinces it is obliged to fix an absolute rate, with a very small gain, or a resulting loss, which must be made up by a charge on other provinces. I think the Railway Board should be in a position to do what is right and fair for everybody.

I do not wish to put a heavier burden on the three western provinces. I would like to Hon. Mr. DANDURAND. do better for them, if possible, but I feel that this Bill is not in their interest. I hold that the Government should give them the benefit of the British Columbian ports. I believe that this Bill will make trouble in every province in Canada. We will have ill-feeling on account of one province being discriminated against in the West, and others in the East. I think the leader of the Government should seriously consider this matter before he asks this House to pass the Bill. We should have had an opportunity of getting it before the Committee and thoroughly understanding it, instead of rushing it through as we are being urged to do. If in the Committee it could be shown that it is a fair and right measure. I would hold up both hands for it: but I do not think it is so, and for that reason I object.

Hon. Mr. GRIESBACH: Honourable gentlemen, I do not think that any practical purpose can be served by discussing agreements which are wholly inapplicable to the present situation, and are for all practical purposes as dead as Julius Caesar.

Hon. Mr. DANDURAND: Hear, hear.

"Hon. Mr. GRIESBACH: The Government is confronted with a very ugly situation in this Crowsnest agreement, which on one hand, is held to be in full force and virtue, and on the other hand is in a position to destroy fair competition in business in the western provinces. The city of Edmonton, for instance, is very seriously discriminated against by the operation of that agreement, and a great many new communities that did not exist when the agreement was made are in danger of being put out of business. But the Government must do something, and this is the Government's proposal, and I am prepared to vote for this Bill at any time.

I entirely agree with what every speaker has said, that Parliament is wholly incapable of fixing freight rates for anybody. We have not the information or the time. On the other hand, I am quite agreed that the Railway Board is the proper and only body to fix rates for the whole of Canada. We will have to resign ourselves to allowing that Board to do that job.

The Government have seen fit in this Bill to depart from that sound principle which they lay down in naming two commodities which are to have special consideration. I fancy the Government does that as a matter of compromise, probably with its eye on the approaching election. One cannot blame them so much for that, but it is distinct departure from the general proposition that

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the Railway Commission should be left to do this job unhampered and unhindered by legislation of this Parliament. I fully agree to that.

One would hope that the Railway Commission, in going about their duties, will have regard for the pious hopes of the Order in Council which has been passed by the Government. On the other hand, if that body is as good as we think it is, it will take not the slightest notice of the Order in Council, but will proceed to a solution of this question on broad grounds in constructing a rate structure for the whole of Canada. If we get that we cannot get anything better.

On the general question whether the prairie provinces should receive special consideration. I think I ought to point out, in defence of that contention which we make in our part of the world, that we claim that consideration because the three provinces are the only part of Canada which have not water communication. We are a solid land-locked area in the interior of the continent; all our transportation must be by rail; while all the other six provinces of Canada, not only have the advantages of water communication per se, but also the advantages of the competition of water transportation. In those other provinces having water transportation, the rail rates cannot be made higher than the competing rates by water; consequently these provinces must always enjoy a fair railway rate because of the existence of that water transportation. So far as we in the land-locked interior of Canada are concerned, there must be arbitrary regulations. We cannot rely on competition, for there is none, and we are content to put ourselves in the hands of the Board of Railway Commissioners. We would hesitate before we would put ourselves in the hands of Parliament in the matter of fixing rates, and I fancy that I may say, on behalf of my part of the country, that we accept the concession contained in this Bill. We regret that the Government could not go further and extend the same consideration to those commodities when going west. We think the Government might have been well advised to consider that, because, after all, if those commodities go west they do not go east; you do not have to ship them both ways. Therefore the railway companies would be no worse off, one would think, in shipping them west than in shipping them east. Be that as it may, we must regard this Bill as an attempt to solve a very difficult, and in the West a very serious, question, and I for one am prepared to accept the Bill as it is.

Hon. Mr. DANDURAND: Honourable gentlemen, would you allow me to cite the opinion of one who has earned the respect of so large a part of the population as to be the head of one of the great parties in Canada? Just before Parliament met, the leader of the Conservative Party announced a programme which has been published in the press. I might read it from the press, or from a resolution which has appeared for two or three months in the routine proceedings of the other Chamber. I believe that he was echoing the general opinion of a large element in this country. Mr. Marler, a talented member of Parliament representing Montreal, had shortly before expressed similar views, to the effect that we should do something to meet those conditions which the honourable gentleman from Edmonton (Hon. Mr. Griesbach) has mentioned as existing in the provinces of the West, so far away from the seaboard. The last clause of the right hon. gentleman's resolution, which was apparently a programme that he intended to lay before the electors, says:

That to enable the products of the Western and Maritime Provinces to reach more readily the markets so developed the special transportation burdens borne by those provinces should be shared by the whole Deminion either by contribution to long haul freight costs or by assistance in some other form.

Hon. Mr. McCORMICK: Will the honourable gentleman please state who was the author of that?

Hon. Mr. DANDURAND: The Right Hon. Mr. Meighen. That was the programme. I believe it was brought before the other Chamber in the very same form. At all events it has all the importance that we must attach to the pronouncement of the leader of a Now the Government comes before party. Parliament and actually does the very thing that the leader of the Conservative Party suggests as a solution of the western problem. I was convinced that that proposition would meet with no objection. Yet my honourable friend from Grenville pronounced himself strongly-and so did the honourable gentleman from Montarville (Hon. Mr. Beaubien) this morning-against the idea of giving a certain compensation to our Western Provinces for the disability under which they labour. It seems to me that the proposition is a fair one, and that at all events the provinces of Ontario and Quebec will not begrudge the western farmers that advantage. substantial though it may be. May I add that by this same Act we are holding the Canadian Pacific Railway to a part of the obligation it assumed in 1897, when it received three and a half millions for the build-

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ing of the Crowsnest Pass Railway. For these reasons I ask that we pass this Bill in its present form.

Hon. G. D. ROBERTSON: Honourable gentlemen, I want to refer to an observation made by my honourable friend the leader of the Government with regard to the announced policy of the right honourable gentleman who leads the Conservative Party in Canada. I feel sure that in the document mentioned it was intended to allude only to the Maritime Provinces and British Columbia, because, as is well known, the Prairie Provinces were already enjoying benefits not enjoyed by other parts of Canada. The special reference is to the far distant parts of the country, namely, British Columbia and the Maritime Provinces.

Hon. Mr. BELCOURT: No. He says the Western Provinces and the Maritime Provinces.

Hon. Mr. ROBERTSON: Honourable gentlemen surely know that there was no reference to the prairies in that, when the prairies already enjoyed special rates.

Hon. Mr. DANDURAND: No; that covers the whole West.

Hon. Mr. ROBERTSON: While I am on my feet, may I refer briefly to some points in connection with this controversy? I think the time must come soon, if it has not already arrived, when we must discontinue holding up this Crowsnest Pass Agreement of 1897 as an inviolate obligation on the part of the whole country to continue in perpetuity. It has been stressed here, I am sure, five or six times to-day, that the people of Canada gave to the Canadian Pacific Railway three and a half millions of dollars in 1897, and that the Canadian Pacific Railway are consequently under obligation for all time to keep that agreement. Let me state this simple fact, that in 1923, when the Government by Act of Par-liament restored the Crowsnest Pass Agreement, the losses to the two railway companies on the carrying of the wheat crop were just \$25,000,000. The Canadian Pacific sustained a loss of \$13,000,000 and the Canadian National \$12,000,000. Now, if the Canadian Pacific Railway is to pay interest at the rate of \$13,000,-000 a year on a gift of three and a half millions made nearly thirty years ago, it seems to me, the Canadian Pacific made a bad bargain.

Hon. Mr. BELCOURT: Will my honourable friend allow me to put him a question with regard to that very point?

Hon. Mr. ROBERTSON: Surely. Hon. Mr. DANDURAND. Hon. Mr. BELCOURT: During this Session, and not very long ago, the President of the C.P.R. stated in my hearing, and, I think, in the hearing of my honourable friend, that whilst the carrying of grain was not profitable they were not losing any money by it.

Hon. Mr. ROBERTSON: I have not suggested that they were losing anything.

Hon. Mr. BELCOURT: I thought the honourable gentleman did, a moment ago. The sum of \$25,000,000 was mentioned.

Hon. Mr. LAIRD: That was in one year.

Hon. Mr. ROBERTSON: The loss of \$25,000,000 was the loss in consequence of the reduction of the rate, as compared with what they would have received had the Crowsnest Pass rate not been enforced.

Hon. Mr. BELCOURT: Well,-

Hon. Mr. ROBERTSON: Pardon me. Let me finish to make myself clear. Last year, when in the Railway Committee we were considering the construction of certain branch lines in the West, gentlemen from the province of Saskatchewan came before that Committee and stated, in answer to questions, that the railways in the Canadian West were carrying to the head of the Lakes, the same distance as the American roads were, for 8 cents a bushel less. That was a gain to the Western farmer. We are all glad to see him have that. Nobody is objecting to it. But I do respectfully point out that we cannot sit quietly by and hear this old 1897 agreement harped upon as something that must continue in perpetuity, at the expense of the whole country, if the railroads are not self-supporting. The railroads must pay their way.

Hon. Mr. BELCOURT: Will my honourable friend answer my question?

Hon. Mr. ROBERTSON: Surely I have answered it.

Hon. Mr. BELCOURT: Was not that statement made within the past few weeks, that the railway company were not making much money in carrying the grain, and if they had the American rate they would be making a good deal of money—

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. BELCOURT: But, whilst at the lower rate they did not make money, they did not lose. Was not that the statement made?

Hon. Mr. ROBERTSON: I cannot say, because I did not hear the statement, nor have I seen it. Hon. Mr. BELCOURT: I heard it very distinctly.

Hon. Mr. ROBERTSON: But here is the point I was trying to arrive at. My honourable friend from Portage la Prairie (Hon. Mr. Watson) is broad-minded enough and fair enough not to take the position that the Crowsnest Pass Agreement must be respected for time and eternity. He says: "No. We recognize that times have changed, and conditions have changed, and that as changes occur there must be alterations in existing benefits out of this particular legislation." And he is stating the fact.

In 1897, when the Crowsnest Pass Agreement was made, there were probably less than 400 Canadian Pacific Railway stations on the Prairies, and no Canadian National stations. Under the decision with reference to these rates they are applicable and enforced only on certain lines, less than one-fifth of the total mileage and stations now on the western prairies. The advantages of the Crowsnest Pass Agreement are by this legislation automatically extended to five times the number of people that would otherwise benefit; and in consideration of this great gain respecting grain and flour, their principal commodities, they are forfeiting those lower rates which they formerly enjoyed on coal oil, nails, fruit, etc., which, as we all know, do not go from Eastern Canada in such quantities as they did in years gone by. Supplies of oil, fruit, etc., come in from the British Columbia Coast.

Therefore this is in my opinion a new agreement, and from this time forward we ought to hear nothing more about the old Crowsnest Agreement of 1897. The Government are making an adjustment now, in view of changed conditions, as my honourable friend from Portage la Prairie says. I do not agree that they have gone far enough. I think it should have been left entirely in the hands of the Railway Commission to deal equitably with all people in connection with rates. I hold that a re-adjustment was an absolute necessity, and the Government have gone a substantial way in that direction, but, they have not gone as far as I think they ought to have gone. I desire, however, to stress the point that in my opinion we have reached the time when we ought not to hark back to the old Crowsnest Pass Agreement and say that it is as unchangeable as the law of the Medes and Persians.

Hon. Mr. SHARPE: We paid three and a half million dollars for it.

Hon. Mr. ROBERTSON: And the Canadian Pacific in 1923 lost thirteen millions, as compared with what they would have received had it not existed. But the country at large did not get the thirteen millions.

Hon. Mr. SHARPE: Was that because of the Crowsnest Pass deal?

Hon. Mr. ROBERTSON: Yes, that was when Parliament put it in force.

Hon. Mr. SHARPE: I would like to inform my honourable friend that the Crowsnest Pass deal has not controlled the rate on wheat in Manitoba since 1901. It is the rate fixed by the Roblin Government of that year that has governed ever since. The C.P.R. came down to meet that rate, and the C.N.R. rate was raised a little in order to make a compromise. Those are the factors that have controlled all the rates in the three Western Provinces ever since.

Hon. Mr. ROBERTSON: Up to 1918.

Hon. Mr. SHARPE: Yes.

Hon. Mr. ROBERTSON: When the Crowsnest Pass rates were exceeded. I have not attempted to summarize the losses of the railways during all the years since 1918. I have cited only 1923 as an example.

One other point in connection with this matter is, I think, important and worthy of consideration, although it is not before us at this time, namely, the question, what would be a fair and proper basis for rate computation, particularly with regard to these two commodities. In 1923, I am sure, the whole country was in entire sympathy with the desire to give the best possible rate to the grain grower of the West. His price was so depressed as to make the industry almost unprofitable. Everybody was glad to see the Western farmer given the advantage of that 8 cents a bushel less than the Montana farmer was paying for the transportation of his grain an equal distance. But I feel sure that it is also true to say that in 1924, when the farmer in the West was getting \$1 a bushel more for his wheat than he did in 1923 there was not nearly the same sympathy for him throughout the country as in the previous year. Therefore it is, in my opinion, well to consider the fluctuating rate on wheat is in some degree corresponding with the market price. If the price is so low that the industry is not very profitable, the country should help it; on the other hand, if the price of wheat doubles and the production of wheat is very profitable the country should not be asked to transport it at less than cost, or even at cost. As a comparison with that, suppose that the wages of factory workers were to increase 100 per cent and the prices of commodities remained the same. Of course, you appreciate what chaos would at once occur. It seems to me that the same principle applies to some extent in this matter of rates on wheat in the West.

There is another thought with reference to rate-making. I refer to a matter that is probably outside our jurisdiction here, but I think it is worthy of consideration. The railroad must handle this product either east or west. At the present time there is a special low rate down to the head of the Lakes, and thence where? Thence into the co-operative elevator owned by the Saskatchewan people in the city of Buffalo. That is one of the reasons why our port of Quebec caused some discussion vesterday. If the reduction of rates were not all west of the head of the Lakes, but helped to carry that grain to Canadian ports for export, then it would probably be more sensible to send the grain by the Canadian route. At present it is shipped at an abnormally low rate by a route that pours it out of our country, to the detriment of Canadian ports on both the Atlantic and the Pacific.

I am sure that our Board of Railway Commissioners are men of sufficient ability to recognize all these things, and if the matter had been left entirely in their hands, as I think should have been done without restriction, the whole country would have received a fair deal. But inasmuch as the Government have seen fit to go only part of the wayhave extended the benefits on grain and flour so that they exceed by far the disadvantages of the removal of the other products from the low rate, I cannot see that the Prairie Provinces suffer any loss at all. It is surely not consistent for us to attack at this time the failure of the Government to fix arbitrarily a low rate of any sort, either into the Maritimes or into British Columbia. We must await, I think, the results of the work of the Railway Commission, and on some future occasion we can say what we think about those results.

Mr. JOHN McCORMICK: Honourable gentlemen, I have been listening for some statement from the supporters of this Bill that would justify any reasonable person in supporting the clause with regard to wheat and flour. I do not think that anybody will attempt to say that we have had anything like an argument to prove that this clause should be passed. The honourable leader of the Government asks if that this House takes the position that it will fix the rates. Hon. Mr. ROBERTSON. That is just the position that this House does not take. As I understand, the Senate has no desire to fix the rates, because we are not competent to do so, but we want to leave the Board to which this Government is referring the matter unfettered and untrammeled in deciding what the rates shall be, and in adjusting them in accordance with the needs of all the interests, all the industries and the different localities in the country. That object is interfered with by the clause.

What is the ground on which it is contended that grain and flour from the prairies should be treated differently from other commodities? It is because in 1897 the Crowsnest Pass Agreement was made. That arrangement was entered into prior to the creation of the Railway Board, and it fixed a rate-for what reason? Because three and a half millions of money had been paid. Was it by the Prairie Provinces that those three and a half millions of money were paid? It was the money of Canada, chargeable to all the people of this country. The man who framed that legislation and framed the Act constituting the Railway Board never intended that this should be a permanent arrangement. I have here a statement from his secretary, a man who was intimate with him for long years before the Crowsnest Pass Agreement was made, and during all the years when Mr. Blair was head of the Department of Railways and Canals. I refer to Mr. Payne. He knew what was in Mr. Blair's mind with regard to this matter. Let me read to you what Mr. Pavne has said:

It happened that the Crownest Pass agreement of 1807 took shape under my eyes. I remember very clearly both its purpose and its conditions. Its essential features were dictated to me by the late Hon. A. G. Blair, and he frankly and freely told me what was in his mind. The Canadian Pacific had asked for help from Government in financing the construction of the proposed Crowsnest Pass Railway. Mr. Blair saw in this appeal an opportunity to serve the people of the West and --let us keep back nothing-score a political point in favor of his party.

In return for a subsidy, which did not exceed \$3,-500,000, the Canadian Pacific agreed to make reductions in its tariff of rates on certain commodities, and to ceede to government so many acres of the coal lands it had acquired from the overnment of British Columbia. The thing that remains vividly in my mind is Mr. Blair's attitude toward this whole matter. He really did not attach much importance to it, apart from its political value. He had at that time fully resolved to set up a Railway Commission, and, if I remember correctly, had given notice to that effect to Parliament.

Beyond that, Mr. Blair regarded the Crowness Pass agreement as a temporary measure, to disappear when a competent regulating tribunal had been created by the new Railway Act he then had in course of preparation. Any other view of what was in his mind would be illogical, and utterly at variance with the fundamental principles of the Railway Act as introduced by him and adopted by Parliament in 1903.

One searches in vain through the long debate which took place on the Railway Act in 1903 to find a syllable about the Crowsnest Pass agreement, or for a word which would indicate that it was intended to survive after a Railway Commission had been brought into existence. It had been forgotten.

That being the case, and in view of the fact, as stated by the honourable gentleman who has just taken his seat (Hon. Mr. Robertson), that the railways of the United States charge eight cents a bushel more for carrying grain than do our railways for the same length of haul, and that early in the month of May application was made by 67 of those American railroads for an increase in rates, the Prairie Provinces have no just claim for a re-enactment of those charges. The money that was paid in consideration of the Crow's Nest Pass agreement was chargeable to the people of the whole of Canada. Think of the C. P. R., which made the loss just stated by my honourable friend here, and consider the effect of the carrying of such a large volume of traffic on the finances of the Government system of railways, which is not in as favourable a position as the C. P. R., and that is now making a loss of no less than \$50,000,000 or \$60,000,000 a year. We should not expect the C. P. R. or any other enterprise in this country to do business at a loss. It is not fair. There is no reason why it should be done. The people of the Prairie Provinces are not entitled to so much consideration, and therefore I cannot agree to the Bill. As that is the only objectionable feature of the Bill, I do not see why the honourable the Leader of the Government could not propose a modification of some kind in this clause to provide that the railways of this country should not be called upon to carry at a loss a freight of the magnitude of the grain and the flour of this country.

Hon. Mr. GORDON: I would like to put the honourable gentleman in possession of better information than he has at the present time. He has made the proposition, which is a very fair one, that if the railroads are losing money in the West on grain—

Hon. Mr. TURRIFF: They are not.

Hon. Mr. GRIESBACH: No, they are not.

Hon. Mr. GORDON: That is what I am coming at. If that is the case, he is opposed to the Bill; but if he were made to believe that they are not losing money there, then it is possible he might change his mind.

Not long ago we had before us in a certain Committee a witness who made the statement that the company in question here made a fair share of profit on the transportation of grain last year. I believe that when

my honourable friend knows that he will not be so strongly opposed to the Bill. It is quite true that the Canadian National Railways claimed that they lost money in the transportation of grain, but that is another matter for consideration.

I feel that the West is entitled to very great consideration, and while I know, as we all do, that this is an agreement to which the West was no party—it was entered into by the Dominion Government and the C.P.R.—and I believe that the C.P.R. made a very improvident bargain. That being the case, some people would want to push the matter to the limit, and hold them to it; but I do not think that would be fair or reasonable at all. To my mind the Government is going far enough in this by compelling them to transport grain for some time at a very small profit.

Hon. Mr. GRIESBACH: It will apply to the other railway too.

Hon. Mr. GORDON: That is the unfortunate part of it—that the railway is losing money.

Hon. Mr. TURRIFF: The other railway is not losing money in carrying wheat.

Hon. Mr. GORDON: The other railway is losing money on carrying wheat.

Hon. Mr. TURRIFF: We will see about that.

Hon. Mr. GORDON: That statement comes from the head of the railway.

Hon. Mr. DANDURAND: There is something that puzzles me. While we are given that opinion by someone connected with the Canadian National Railways, on the other hand we have the statement by many high officials of that same Railway Company that all the western branches are profitable.

Hon. Mr. BELCOURT: Sir Henry Thornton himself said so the other day.

Hon. Mr. GORDON: I am only saying in reply to my honourable friend that I have had from one of the highest officials of the C.P.R. the statement that they are making a profit on grain, and I have heard from one of the highest officials of the Canadian National Railways that they are losing money on grain. Whether or not the word of those gentlemen is worth more than that of the honourable the Leader of the Progressive Party in this House, I do not know.

Hon. Mr. DANDURAND: I am puzzled by those two contradictory statements.

Hon. Mr. GORDON: I think, in view of what I have said, that the Bill resolves itself into a fair proposition, and that my honourable friend from Cape Breton (Hon. Mr. Mc-Cormick), should revise his ideas, and vote contrary to his original intention.

Hon. Mr. GILLIS: If we compare the yearly earnings of the Canadian National Railways, we find that they were considerably less in 1924 than in 1923, the main reason for that being that we had an excellent crop in the western Provinces in 1923, which helped very naterially in bringing up the earnings in that year. To say that the railways are losing money by drawing grain I think is not correct. You will find that when we have a large crop in the West the railways are able to make a better showing.

Hon. Mr. TURRIFF: I have heard it stated here this afternoon by several honourable genilemen that the West had such low rates on wheat ander the Crowsnest Pass agreement that the railways were losing money. I want to say, honourable gentlemen, that that is not the case, as has been proven by the C.P.R. itself.

Hon. Mr. GORDON: That is what I say.

Hon. Mr. TURRIFF: Up to 1921 the Canadian Pacific Railway Company presented statements to the Board of Railway Commissioners here in Ottawa, showing the net profit earned by that railway from Vancouver to Fort William, and the net profits earned from Fort William or Port Arthur east. What do those statements show? They show that practically all their profits are made in the months during which the wheat is carried in the West, and that during the months prior to the month of August there is practically a division of profits between the East and the West, and that during September the western earnings increases over those of the East; and that the increase continues during October, November, and December. I should have had the evidence here.

Hon. Mr. GORDON: We only want the total result anyway.

Hon. Mr. TURRIFF: During some months the net profits on the western lines of the C.P.R. were double those on the eastern lines; during other months they were five times as much, and during November, 1921—I think it was—the last time the C.P.R. ever made those classifications—the net profits in the West were ten times as much as the net profits east of Fort William. If I remember rightly the profits during that month in the West were over \$5,000,000, and east of Fort William some \$500,000. In the face of that evidence of the officers of the Hon. Mr. GORDON. C.P.R., sworn to and submitted under the law to the Board of Railway Commissioners, what is the use of honourable gentlemen from the East or from any part of the Dominion saying that the C.P.R. and the Canadian National Railways are carrying grain at a loss?

Hon. Mr. TAYLOR Honourable gentlemen, I agree with the principle of this Bill, but I think the House will admit that it is not divinely inspired or incapable of profitable amendment. We in British Columbia are very apprehensive of the effect of this proposition, and our apprehension is increased by the announced policy of the Government in connection with the routing of grain through British Columbia. There was a discussion in another place a couple of weeks ago in which it was brought out that it was the definite intention of the Government to promote the carriage of grain to Prince Rupert, and the statement was made that there was a terminal rate made for Prince Rupert, equal to the rate to Vancouver or to the Fraser river ports. The haul from Edmonton to Prince Rupert is 190 miles longer than the haul to Vancouver. The immensity of the difference in cost brought about by this distance may be realized from the statement made during the same debate-and I am quite familiar with it—that the extra cost of hauling grain from ports on the Fraser river to Vancouver is \$13 a car or 1 cent per bushel. There is a terminal rate now with those two ports, the Fraser River port and Vancouver, under which the grain trade of the prairies last year paid no less than \$500,000 on 50,000,000 bushels, the extra cost of hauling to Vancouver. They had not the advantage they would have had if they had left the grain off at New Westminster, where many people think it belongs, because there was a common terminal rate. Immense additions to the cost of hauling grain to the seaport would be involved in fixing a rate common to Prince Rupert, Vancouver and Fraser River.

If the Government were satisfied that the rate fixed by the Crowsnest agreement is a fair and profitable rate to the railway, it seems to me they would have no hesitation in extending the application of that west as well as east. The very fact that they hesitate to extend it west seems to indicate that they realize that a higher rate will have to be established, in order to be fair to the railways for the western haul.

The people of British Columbia have been making a very vigorous fight of late years never more vigorous than at present. At this moment the Prime Minister of British Columbia is in Ottawa on the very subject of this Bill. I am not in a position to state his arguments, but in a general way I know from his public utterances that he is very much concerned as to the effect of this Bill on the trade of British Columbia.

In dealing with the Crowsnest agreement, as I see it, the Government makes trouble for the province of British Columbia by this proviso:

Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the date of the passing of this Act, be governed by the provisions of the agreement made pursuant to chapter 5 of the statutes of Canada, 1897.

So far so good, but this extension is voluntarily introduced by the Government: --but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur over all lines now or hereafter constructed by any company subject to the jurisdiction of Parliament.

Now, if the Government is satisfied that this is a fair rate, I see no reason why that provision should not be extended to cover British Columbia, and I submit for the consideration of the representatives of the Government in this House this addition to the section:

-and also to all such traffic moving from all points on all lines of railway west of Fort William to Pacific coast ports over all lines now or hereafter constructed by any company subject to the jurisdiction of Parliament.

Then the position is this. If the Government feels that this is a fair rate that they are establishing by section 3 of this Bill, it will have no objection to extending that fair rate to British Columbia. If the Government hesitates to make the extension to British Columbia, then it must be clear that in the opinion of the Government the traffic to British Columbia from the prairies will have to pay a substantially larger rate than is authorized by this Bill to be paid on grain transported eastward for shipment which in very large part is made through American ports. When the position is thus stated I think there can be no real defence of a Bill which places a bonus on shipment of grain eastward through American ports, to the neglect of so splendid a port as that of Vancouver on the Pacific coast.

To have the issue clearly defined, without ground for misrepresentation, I move this amendment, seconded by Hon. Mr. Planta. I may say that in moving it I have no desire to obstruct the Bill, and if the Government will frankly say that this principle cannot be accepted I would have no option but to withdraw the amendment, because I would rather have the Bill passed than have it embarrassed.

Hon. Mr. ROBERTSON: Before my honourable friend replies to the honourable member for New Westminster (Hon. Mr. Taylor), I should like to give some information which I have just obtained for my honourable friend for Assiniboia (Hon. Mr. Turriff), with reference to the profitable and unprofitable portions of the Canadian National Railways, as shown in a statement issued from the president of that company. Sir Henry Thornton, in the month of April, issued an official statement as to the earnings and expenses of the National Railway for the year 1924. To quote the figures that relate to this discussion, I may say he shows that the operating revenues for all lines west of Port Arthur on the whole Canadian National System, were \$65,938,000, while the operating expenses were \$67,062,000, or a deficit of \$1,124,000.

Hon. Mr. TAYLOR: That takes in British Columbia, too.

Hon. Mr. ROBERTSON: It includes all the lines west of Fort William; that is for the year's operation.

Hon. Mr. TURRIFF: And all products?

Hon. Mr. ROBERTSON: Surely.

Hon. Mr. TURRIFF: It does not affect my statement at all.

Hon. Mr. ROBERTSON: On the central region, which includes all lines from Port Arthur as far east as Mont Joli, Quebec, the returns are these: operating revenues, \$114,-564,000; operating expenses, \$98,131,000; a net surplus of \$16,433,000. On the Atlantic region, which extends from Mont Joli, Quebec, to the Atlantic seaboard, he shows the following result: Operating revenues, \$20,721,-000; operating expenses, \$24,266,000; a net deficit of \$3,545,000.

While my honourable friend's statement may be reasonably correct so far as wheat and flour are concerned, the railroad must be maintained and operated the year around, and it is surely not a perfect picture to paint the profits that may accrue over a period of three months in the fall when the grain is moving, and expect somebody else to pay the deficits for the rest of the year. The traffic in that district west of the Great Lakes surely ought to be expected to maintain the railroads in that same territory, and I am giving the House the net results as reported by the president of the Canadian National Railways himself showing whether the western or eastern lines are the most profitable. I have never seen any statement issued by the Canadian Pacific Railway showing their expenses and revenues by districts, and therefore I am unable to give the same information for the C.P.R.

Hon. Mr. BELCOURT: I understood my honourable friend to say that the loss in carrying wheat and grain from the west he estimated at \$25,000,000.

Hon. Mr. ROBERTSON: My honourable friend misunderstood me. What I intended to convey was that in 1923 the two railroads received \$25,000,000 less in revenue for carrying grain than they would have received had the Crowsnest Pass rates not been put in operation by Parliament in July, 1923; and therefore I held that the C.P.R. had suffered a loss of \$13,000,000 of the \$23,000,000, which was paying very dearly for the subsidy or gift of \$3,500,000 that it got 30 years ago.

In view of the fact that my honourable friend from New Westminster (Hon. Mr. Taylor) has introduced a rather important amendment, and a number of gentlemen left here to-day before noon anticipating that we might not sit this afternoon, I would respectfully suggest to my honourable friend that he agree that the Committee rise and report progress, and consider this matter further on Monday.

Hon. Mr. DANDURAND: There is no necessity to do that, because the honourable member from New Westminster (Hon. Mr. Taylor) has said that he would only press his motion if it was agreeable to the Government. I suppose he wanted to have a statement from the Government on his proposition. I am unable to accept that amendment. The honourable gentleman wants to reverse the proposition by applying it both ways. The Bill contains an advantage which is based on the principle found in the Crowsnest Pass agreement, of fixing the maximum rate on grain and flour moving towards Fort William. The amendment would require that the same rates should avail for grain and flour moving towards British Columbia.

This is a proposition that I quite understand, coming from my honourable friend. It is a desire which must be shared by all the people of British Columbia; but I draw his attention to the fact that if such a proposition could be entertained at all, then the proposition from my honourable friend from Manitoba (Hon. Mr. McMeans) could also be taken into consideration in order that Manitoba should also obtain certain privileges. The proposition from the Maritime Provinces also should be considered; so that practically we should have to settle the whole railway Hon. Mr. ROBERTSON. freight rates in the Senate, except as to Ontario and Quebec.

Now, I suggest that we leave these matters where they belong. Of course I understand that the argument is based on the fact that we are giving a privilege to the three western provinces on flour and grain moving towards the east, but the experiment has been made there for years, and we know what results it gives to the producers as well as to the railway companies.

Hon. Mr. TAYLOR: But the experiment has been made westward, too.

Hon. Mr. DANDURAND: But there is the question of equalizing rates throughout Canada, and surely we cannot load this mandate down with a number of conditions. It seems to me that the condition that we have applied is an exception that should stand by itself, and we should not increase the conditions.

The fixing of railway rates is a very difficult and technical matter, and I believe that British Columba will have to wait in patience until it sees the work of the Railway Commission. Possibly that work will satisfy nobody, because everybody will have to give a little towards the maintenance of those roads. They cannot be maintained by the people in China; they must be maintained by the Canadian people; and the Railway Commission will have an eye to the general interests of the country. I have had quite a number of years' practice at the Bar, and I find that oftentimes the best of compromises leave both parties very much dissatisfied with their representatives in the settlement of their difficulty because each has been obliged to yield something. All that I know is that the Railway Commission will try to do the fair thing by all the provinces, and by the country at large. I cannot accept that amendment.

Hon. Mr. TAYLOR: Does the honourable gentleman think that British Columbia should be asked to accept in perpetuity a higher rate for westbound grain to British Columbia ports than is established by this Bill for grain to eastern ports?—because that is what it amounts to. We are asked as representatives of British Columbia to assent to a Bill establishing in perpetuity a discrimination against our province.

Hon. Mr. BELCOURT: There is no perpetuity about this: you can change it next year.

Hon. Mr. TAYLOR: It is in perpetuity until it is changed.

Hon. Mr. DANDURAND: My honourable friend knows that I cannot answer his question until I have the result of the work of the Railway Commission. I do not know what they will do. I do not know what they should do, because I have no expert knowledge.

Hon. Mr. TAYLOR: Why not leave the whole subject open to the Railway Commission? We would be satisfied with that.

Hon. Mr. DANDURAND: Then my honourable friend is adverse in principle to the rate which is being given to the three western provinces?

Hon. Mr. TAYLOR: No, that is not a fair way to put it, because the other rate would be given to the three western provinces just the same. The question is that of a rate for the provinces, whether east or west. But if a rate fixed by this Bill is an unfair rate, the Railway Commission will have to prescribe a proportionately higher rate for the westbound traffic in order to enable the railroads to come clear.

Hon. Mr. DANDURAND: Not necessarily, because the Railway Commission may come to the conclusion that those two railways are making money on that present rate, and it seems to me that British Columbia has all to gain by the maximum rate that is fixed there. Before the Railway Commission their representatives will be able to point out their situation, and the advantages, there would be to the province of Alberta, as well, and the fairness there would be, in a rate being fixed in such a way as would not discriminate against the port of Vancouver. There is a short haul from Alberta to Vancouver, and I would utilize to a mighty degree the fact of that precedent being there, of the advantage being given to the grain bound for the east moving under those rates.

Hon. Mr. TAYLOR: Might I just ask this final question: whether the honourable gentleman has been able to satisfy the Prime Minister of British Columbia with logic of that nature?

Hon. Mr. DANDURAND: I would have had to mesmerise him, because the only chance I had was to shake hands with him in the lobby of the Chateau Laurier.

Hon. Mr. TAYLOR: Mr. Chairman, I said that if the honourable leader of the Government could not accept it, I would withdraw it. I ask leave to withdraw.

The amendment of Hon. Mr. Taylor was withdrawn.

Section 3 was agreed to.

On section 4-tolls in tariffs filed prior to Act, to be deemed lawful:

Hon. Mr. McMEANS: Honourable gentlemen, I have a small amendment to section 4. It does not disturb the principle of the Bill. The Government of the Province of Manitoba made an agreement with the Canadian Northern Railway, which was embodied in an Act of the Manitoba Legislature and ratified by an Act of the Parliament of the Dominion of Canada. A dispute arose as to whether or not the provisions of that agreement were over-ridden by the Railway Act, and an appeal was taken from one court to another, and wen't finally to the Supreme Court. The Supreme Court decided against the province. Now the province has appealed to the Privy Council, and the case will very likely be tested next October.

Hon. Mr. BELCOURT: What is the effect of the Supreme Court's decision?

Hon. Mr. McMEANS: It was, as I understand, that the agreement was overridden by the Railway Act. I am not very positive about it. In any event, the province of Manitoba lost its case.

Hon. Mr. BELCOURT: That does not say very much.

Hon. Mr. McMEANS: The purpose of my amendment is that this clause 4 should not affect the litigation pending before the Privy Council. I do not see that the honourable leader of the Government can have any objection to a perfectly just proposition of this kind.

Hon. Mr. BELCOURT: How could it affect the litigation?

Hon. Mr. McMEANS: It would affect it, because clause 4 would simply put us out of court. We might as well take the case away from the Privy Council now. I may say further that I am introducing this amendment at the request of the Attorney General of the Province of Manitoba:

Provided that nothing herein or in this Act contained shall in any way affect the pending litigation between the Government of Manitoba and the Canadian Northern Railway Company arising out of an agreement between the said province and the said company dated the 11th of February, 1901, confirmed by Chapter 39 of the Statutes of Manitoba, 1901, or any right or obligation of the parties thereto, or either of them, expressed in the said agreement and the said Statutes.

Hon. Mr. DANDURAND: Would you pass me the amendment, please? Is it only that you may secure costs?

Hon. Mr. McMEANS: I do not know. The lawyers will get the costs in some way or another, I suppose. 636

Hon. Mr. DANDURAND: I am sorry to say—because it is always more pleasant to say yes than to say no—that I cannot accept that amendment. I cannot accept it because the purpose of this legislation is to wipe out such agreements and to free the country and the Board of Railway Commissioners from all these entanglements, whether in the East, the West, or the Centre. My honourable friend blandly asks that the rates fixed under that agreement may still prevail. The province of Manitoba moved very slowly in this

matter. It decided at a certain time to make an appeal to the Board of Railway Commissioner. Before whom was the application heard? Before Sir Henry Drayton. After giving full consideration to the validity of the Manitoba Act, Sir Henry Drayton declared that, it could not prevail, that the authority given to the Commission superseded that Act. It took a number of years for the province of Manitoba to make another move. It entered an appeal which went before the Supreme Court.

Hon. Mr. McMEANS: I would remind the honourable gentleman that it was a good Liberal Government in Manitoba that was doing all these things.

Hon. Mr. DANDURAND: That does not matter to me. Just now we are trying to solve a national problem. The Supreme Court, I believe, unanimously confirmed the decision of the Railway Commission.

Now, what are we doing by this Bill? We are wiping out the right of the Canadian Pacific Railway to appeal from the Supreme Court's last decision.

Hon. Mr. GORDON: I thought it was the C.N.R.

Hon. Mr. DANDURAND: I am speaking of the Canadian Pacific Railway. We are putting them both under the same rule. We are wiping out the right of the Canadian Pacific Railway to appeal from the decision rendered by the Supreme Court lately, declaring that the Crowsnest Pass Agreement is not superseded by the Act constituting the Board of Railway Commissioners.

Hon. Mr. McCORMICK: If this Bill goes through, will it not supersede all other Acts, neluding the Crowsnest Pass Act?

Hon. Mr. DANDURAND: Yes, this Act will supersede them. At all events, by this legislation the Parliament of Canada expresses its will to clear the way for free action by the Railway Commission.

Hon. Mr. ROBERTSON: And then refuses them freedom.

Hon. Mr. McMEANS.

Hon. Mr. DANDURAND: This is the only sensible procedure, and it will bring us out of the present state of confusion in the matter of rates. The Canadian Northern was refused aid by the Dominion Government when it was projecting the construction of its road through the Rockies from Edmonton to Vancouver. It went to the Provincial Government of British Columbia and from that Government obtained the necessary aid to build its line. And to what did it bind itself? It agreed to allow the absolute control of its rates by the Provincial Government. The line was being constructed under provincial charter and subsidized by the Provincial Government. The Provincial Government inserted in its subsidy contract the obligation on the part of the railway to remain under provincial law. The Borden Government came into power and notwithstanding that written, binding contract, declared that under the clause respecting the "general advantage of Canada," that railway should be under Federal jurisdiction, and Parliament so decided. It thereby brought the rates under the jurisdiction of the Board of Railway Commissioners, in spite of that contract under which the road was built. Thus the privilege which belonged to the province of British Columbia was wiped out.

The same principle was applied in the Manitoba case, when the Railway Board declared, and the Supreme Court of Canada reaffirmed, that the Railway Act of 1903 superseded the law of the province of Manitoba. That province should not intervene at this juncture to prevent an equalization of rates in Canada. As my honourable friend from Portage la Prairie (Hon. Mr. Watson) has well said, Manitoba is getting, under this Bill, the advantage of the maximum rate on flour and grain on three times the railway mileage covered by the agreement of 1897. I believe that the advantage obtained by Manitoba is of considerable value to that province, and it will have to sacrifice the slender hope contained in its right of appeal to the Privy Council. It lost its case before the Railway Board, with Sir Henry Drayton as Chairman. It lost its appeal to the Supreme Court. It is on an equal footing with the Canadian Pacific Railway, which at present has a right of appeal from the Supreme Court decision which maintained the Crowsnest Pass agreement. Under the circumstances I think that the same rule should be applied to both the province of Manitoba and the Canadian Pacific railway, and I hope that my honour-able friend (Hon. Mr. McMeans), like the honourable gentleman from New Westminster (Hon. Mr. Taylor), will withdraw his amendment.

Hon. Mr. SHARPE: I would like to ask my honourable friend a question. Had the Railway Commission control of the rates on wheat in Manitoba during the years from 1901 to 1918?

Hon. Mr. DANDURAND: I am sorry to say that I have not a copy of the judgment given by the Railway Board when it refused the application of the Province of Manitoba. That judgment would be an answer to my honourable friend. I do not know exactly at what date it was rendered. My honourable friend must remember that Sir Henry Drayton was Chairman of that Board for a number of years prior to 1920—I do not know how many years. But I should think that the Railway Commission claimed full control, subject to the Crowsnest Pass agreement.

Hon. Mr. SHARPE: No.

Hon. Mr. DANDURAND: As to that I am not in a position to say.

Hon. Mr. SHARPE: Subject to the Manitoba agreement.

Hon. Mr. ROBERTSON: My honourable friend seems to place very much stress upon the decision of Sir Henry Drayton as Chairman of the Board of Railway Commissioners in this particular case. May I inquire why it is, that he and his Government upset the decision of the Board of Railway Commissioners in the recent Crowsnest case, subsequently sent the matter to the Supreme Court of Canada, and now steps in to prohibit the province of Manitoba from laying its case, at its own expense, before the Privy Council?

Hon. Mr. DANDURAND: The answer is very simple: my honourable friend is in error as to the fact. The Government did not upset the decision of the Railway Board with regard to the Crowsnest Pass Agreement.

Hon. Mr. ROBERTSON: The Government sent it to the Supreme Court.

Hon. Mr. DANDURAND: No, the Government did not send it to the Supreme Court. There was a direct appeal taken by the three Prairie Provinces to the Supreme Court, and at the same time an appeal was made to the Privy Council. The provisional decision of the Privy Council was simply to this effect, that it would suspend the judgment of the Board of Railway Commissioners until the appeal by those provinces from the Board's decision had been settled in the Supreme Court, which was to meet within thirty days. That is quite often done in the courts. Generally speaking, a judgment rendered in court

has no executive effect if there is an appeal lodged. The only thing the Privy Council did was to allow the merits of the case to be decided by the Supreme Court, on the question of the legal interpretation of the contract. The Privy Council, after having taken cognizance of that decision, passed judgment on the 5th of June instant on the appeal which had been made direct to it. I cited the conclusions at this morning's sitting.

Hon. Mr. ROBERTSON: But my honourable friend and his Government surely concurred in the Supreme Court dealing with that subject and determining the point of law; yet, as I understand it, by legislation the Government now proposes to step in and interfere with the province of Manitoba in its effort to obtain what it regards as justice before the Privy Council.

Hon. Mr. DANDURAND: But my honourable friend must not forget that it does the same thing with regard to the Crowsnest Pass agreement, which was declared valid by the Supreme Court. It now proceeds, in the face of that judgment, to declare that the Agreement shall not be effective except on those two items; whereas in the case of Manitoba it simply confirms the Supreme Court's judgment, that the Manitoba agreement shall not apply. Even had the Supreme Court declared it to be valid and binding, the Government would have been under the obligation of wiping it out, as it wipes out the contract entered into in 1897, which was declared valid by the Supreme Court. The Canadian Pacific Railway is in a far better position to complain, on the ground of equity, than is the province of Manitoba. The Canadian Pacific is confronted with a judgment which imposes that contract upon it, and it wants to have that contract declared no longer binding. The province of Manitoba is trying to enforce an agreement that has been declared invalid.

So, from whatever angle you view it, the question now before Parliament is: shall the Board of Railway Commissioners clear up the chaotic situation resulting from the judgment of the Supreme Court, which limits the Crowsnest Pass Act and agreement to the Canadian Pacific Railway as it existed in 1897? I think my honourable friend (Hon. Mr. Robertson) has stated in clear terms that the Railway Commission is the tribunal specially qualified to fix rates. Surely he would not hamper that work by having that Manitoba contract declared valid, as my honourable friend from Winnipeg (Hon. Mr. McMeans) desires to do by his amendment. I am quite sure that if that amendment were passed the Government would have to withdraw this Bill, because its purpose would then be defeated. The object is to free the Railway Board from all the entanglements of special acts such as the Crowsnest Pass agreement and the Manitoba contract. My honourable friend from Winnipeg would have these left in abeyance until the Privy Council has rendered a decision. But, even when the Privy Council has decided, Parliament is supreme. The railways are under the control of the Parliament of Canada. Canada is free to deal with this matter and clothe the Railway Commission with all the necessary powers. I frankly say that if this amendment passes the Bill will be in jeopardy.

Hon. Mr. McMEANS: I would like to point out, in order to clear the atmosphere, that the province of Manitoba, under its agreement, is in a position entirely different from that of British Columbia. The Crowsnest Pass agreement was a matter over which the Parliament of Canada had jurisdiction, because they were a party to it. The British Columbia agreement was a provincial arrangement and was not recognized by the Dominion, But the Manitoba agreement, which was made for a consideration, was ratified by an Act of the Provincial Legislature, and in order to make it absolutely sure that Manitoba had full rights in the matter, an Act was passed by the Dominion Parliament, ratifying the agreement and making it binding upon the Dominion of Canada. Surely that is in a different position from any other. I do not think there is anything in the argument to foreshadow what may be the judgment of the Privy Council. We know of many cases in this country in which the Supreme Court's unanimous decision has been reversed. There are several cases of that kind. I regret that I cannot accede to the honourable gentleman's request and withdraw the amendmentin the first place, because I feel very strongly about it and, in the second place, because it was introduced, as I said in the beginning, at the request of the Attorney General of the Province of Manitoba.

Hon. Mr. TODD: I would like to urge the honourable Senator to withdraw his amendment. I understand from the Leader of the Government that if the amendment is not withdrawn he will withdraw the Bill. I am not very much in love with this Bill; I think the entire Crowsnest agreement should have been cut out, and full power given to the Railway Commission; but what is going to be the effect if the Bill is withdrawn? The present condition will be bettered by the Bill, and I think it would be a great mistake to

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do anything that would prevent the bringing about of that change.

Hon. Mr. ROBERTSON: We have got into a situation from which a serious result will ensue if the statement of my honourable friend is made in sincerity. I have no desire to see the beneficial results that I think will flow from this legislation defeated, but I do not think my honourable friend stated the case quite clearly when he compared the Manitoba situation with the Crowsnest agreement. In one case you are presuming to take away everything that Manitoba has an opportunity of gaining, and, on the other hand, in cancelling the Crowsnest agreement and putting the new conditions into effect, you are vastly improving the situation.

Hon. Mr. DANDURAND: But the conditions are the same, practically, as would be enjoyed by the Province of Manitoba. The Province of Manitoba is enjoying advantages under this Act.

Hon. Mr. ROBERTSON: I would make this suggestion again to my honourable friend. We do not wish, and ought not, to act hastily on any matter in this House. It is now nearly six o'clock, and as a number of the members of this House, who did not anticipate that this controversy would arise this afternoon. are not present, I would urge my honourable friend to agree that the Committee rise, report progress, and ask leave to sit again on Monday.

Hon. Mr. DANDURAND: I dislike suggesting that time should not be given to the Senate to ponder over the situation, and if there is any decided opinion that this matter should be thrown over to Monday next, I will agree to that, although there is a pretty heavy Order Paper for Monday and Tuesday, which may be the last days of the Session. If my honourable friend, after consultation with his friends, thinks that an adjournment would be desirable—

Some Hon. SENATORS: Settle it now.

Hon. Mr. DANDURAND: There seems to be a desire, even on the other side of the House, that we should settle this matter now.

Hon. Mr. ROBERTSON: I am not insisting, although it would be with some hesitation that I would agree to proceeding in the absence of important members on this side of the House.

Hon. Mr. BELCOURT: The amendment could be made on the third reading.

Hon. Mr. DANDURAND: I will consent to the third reading being taken on Monday.

Hon. Mr. ROBERTSON: Very well, on that understanding.

Hon. Mr. TODD: Mr. Chairman, it is hardly fair to take a vote now. I know a number of Senators who left with the understanding that we were not going to sit this afternoon. We have a very thin House, and I think this is too important a matter to be taken up and dealt with like this. I would move that the matter be left over.

Hon. Mr. MACDONELL: I would second that motion.

Hon. Mr. DANDURAND: The honourable gentleman moves that the Committee rise, report progress, and ask leave to sit again?

Hon. Mr. TODD: Yes.

The Hon. the CHAIRMAN: The motion is that the Committee rise, report progress, and ask leave to sit again.

Hon. Mr. DANDURAND: Is there a desire that we should proceed to a vote?

Hon. Mr. ROBERTSON: There is a motion before the House. Do I understand the honurable gentleman from New Brunswick desires to withdraw his motion?

Hon. Mr. TODD: Yes.

The motion of Hon. Mr. Todd was withdrawn.

The Hon. the CHAIRMAN: The question is on the amendment.

Hon. Mr. SHARPE: No, we will withdraw that if we are given a chance to move it on the third reading.

Hon. Mr. DANDURAND: Certainly.

Hon. Mr. McMEANS: If the House considers it in that way.

The proposed amendment of Hon. Mr. McMeans was withdrawn.

Section 4 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

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

THE SENATE

Monday, June 22, 1925.

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

Prayers and routine proceedings.

C. N. R. OFFICES, NEW YORK

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Have the Canadian National Railways offices in the city of New York?

2. In what part of the city are the offices situated?

3. When were the offices hired?4. What is the rent of the offices?

Hon. Mr. DANDURAND:

1. Yes.

2. Freight Office—Woolworth Building, Passenger Offices—1270 Broadway.

3. Woolworth Building Offices, May 1, 1921; Broadway Offices, April 1, 1922.

4. As arrangements are under consideration for the consolidation and rearrangement of Canadian National offices in New York, the Management does not consider it in the interests of the railways to reveal, at this time, information as to rentals.

RAILWAY FREIGHT RATES BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 181, an Act to amend the Railway Act.

Hon. Mr. McMEANS: Honourable gentlemen, when this Bill was in Committee I moved an amendment, which was afterwards withdrawn on the understanding that I might move it on the third reading. There was not a large attendance in Committee, and it was therefore thought advisable to leave over the proposed amendment until a larger number of honourable Senators were present.

The amendment that I propose means simply this. The Manitoba Government have an appeal pending before the Privy Council with regard to a contract made between that Government and the Canadian Northern Railway in 1901. That contract was ratified by an Act of the Provincial Legislature, and afterwards by an Act of the Dominion Parliament. So I claim that it stands in a position somewhat different from that of any other agreement. As to the Crowsnest Pass agreement between the Dominion Government and the C. P. R., there is clearly a right to abrogate it. The Manitoba case was taken by the Provincial Government before the courts. but so far the courts have decided against Manitoba. An appeal has been made to the Privy Council and will be heard in October. All I ask in this amendment is that any right that the Manitoba Government have may be reserved until after the decision is given.

The amendment reads as follows:

That this Bill be not now read a third time, but be referred back to Committee of the Whole House, with instructions to amend the said Act by adding section 4 thereof the following:

"Provided that nothing herein or in this Act contained shall in any way affect the pending litigation between the Government of Manitoba and the Canadian Northern Railway Company arising out of an agreement between the said province and the company dated the 11th of February, 1901, confirmed by Chapter 39 of the Statutes of Manitoba, 1901, and by Chapter 39 of the Statutes of Canada, 1901, or any right or obligation of the parties thereto, or either of them, expressed in the said agreement and the said Statutes."

Hon. Mr. DANDURAND: Honourable gentlemen, I had occasion on Saturday to state that I could not accept that amendment; that it would tend to load the Bill in such a way as to prevent free action by the Board of Railway Commissioners. I stated that the whole policy contained in this measure was the freeing of the Railway Board from all kinds of entanglements, special or otherwise. I stated that British Columbia had granted subsidies to the Canadian Northern Pacific Railway Company on condition that the Province should control rates, but that despite this express condition, the Parliament of Canada had passed an Act providing that that railway should be incorporated in our system, by being declared to be a work for the general advantage of Canada, and it thus came under the jurisdiction of the Board of Railway Commissioners. The Manitoba Legislature had a similar enactment, which it claimed was not superseded by the Act of 1903, granting powers to the Railway Board. The matter went before the Railway Commission, and Manitoba pleaded its case. I have already pointed out that at that time Sir Henry Drayton was Chairman of the Commission. The Board dismissed the claim. It remained dormant for years after this decision, but latterly the Manitoba government went before the Supreme Court to test that judgment. The Supreme Court unanimously declared against the Manitoba Government's claim.

This Bill does not refer specially to the Act of Manitoba. It is a general statute intended to cover all matters that are under Federal jurisdiction. Subsection 5 of section 325, which is repealed, reads as follows:

"(5) Notwithstanding the provisions of section three the powers given to the Board under this Act to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require,

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shall not be limited or in any manner affected by the provisions of any Act of the Parliament of Canada, whether general in application or special and relating only to any specific railway or railways, and the Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable preference, on the ground that such discrimination or preference is justified or required by any agreement made or entered into by the company: Provided that this subsection shall remaain in force only during the period of three years from and after the date of the passing of this Act."

In place of that subsection, the Bill enacts:

(5) Notwithstanding the provisions of section three the powers given to the Board under this Act to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require, shall not be limited or in any manner affected by the provisions of any Act of the Parliament of Canada, or by any agreement made or entered into pursuant thereto, whether general in application or special and re-lating only to any specific railway "or railways, and the Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable pre-ference, on the ground that such discrimination or preference is justified or required by any agreement made or entered into by the company: Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the date of the passing of this Act, be governed by the provisions of the agreement made pursuant to chapter five of the statutes of Canada, 1897, but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur over all lines now or hereafter constructed by any company subject to the jurisdiction of Parliament.

(6) The Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities or of undue or unreasonable preference, respecting rates on grain and flour, governed by the provisions of chapter five of the statutes of Canada, 1897, and by the agreement made or entered into pursuant thereto, within the territory in the immediately preceding subsection referred to, on the ground that such discrimination or preference is justified or required by the said Act or by the agreement made or entered into pursuant thereto.

4. To remove doubts the tolls specified in tariffs filed at any time prior to the passing of this Act, with the Board in accordance with the provisions of The Railway Act, 1919, are and shall be deemed lawful tolls until varied by tariffs filed with the Board pursuant to this Act, notwithstanding the provisions of any Act or any agreement, and notwithstanding any judgments or orders made, at any time prior to the passing of this Act, with regard thereto.

This is on the same lines as the Act of 1919. It does not exclude, by any special and direct declaration, the rights of any province. It states what shall be the law of Canada, within the Federal jurisdiction. I cannot agree that there should be added to this Bill, on behalf of any province, a clause which would make the statute subject to any condition prevailing under any provincial Act. If Manitoba thinks it still has rights, it may continue to press them before the courts. I ask that the Senate accept this Bill without loading it with all sorts of entanglements, which would be detrimental to the proper working of the Act. I pray that the amendment be rejected.

Hon. Mr. WILLOUGHBY: Have I read the Act wrongly? Does the honourable leader of the Government say that Manitoba, if it has any legal rights, is not precluded from the exercise of them by virtue of this Bill?

Hon. Mr. DANDURAND: Any rights that Manitoba claims to have can be submitted to the courts. The courts are all open to the Province of Manitoba. I claim that the effects of this Bill simply remain within the jurisdiction of the Federal Parliament, and that whatever rights the province of Manitoba enjoyed it may still claim. It may attack this Bill as being ultra vires so far as it concerns the rights of the province of Manitoba.

Hon. Mr. McMEANS: May I ask the honourable gentleman to make this quite clear? As I understand the Bill, it wipes out all agreements, all contracts, all special Dominion statutes and other Acts. If the Privy Council should in its wisdom decide that the agreement entered into between the Government of Manitoba and the Canadian Northern Railway was a binding agreement, and that the general Railway Act did not deprive Manitoba of the benefits of it, what would be the situation? My honourable friend has already pointed out that the Railway Commissioners, in the decision they gave, stated that the Manitoba agreement was superseded by the general Railway Act, which gave power to the Commissioners to fix all the rates, and that therefore the rights that Manitoba acquired under the contract were superseded. The Supreme Court has held the same thing. But suppose the decision of the Privy Council, which will likely be given in October, is that the general Railway Act did not wipe out that contract. What position will the province be in? This Act takes away those very rights, even if the Privy Council should decide in favour of the province.

Hon. Mr. DANDURAND: But in practically the same terms as does the preceding Act, that of 1919.

Hon. Mr. McMEANS: The whole contention of Manitoba is that the general Railway Act of Canada did not abrogate the rights of the province of Manitoba under the contract entered into between that province and the Canadian Northern Railway and ratified by the Dominion Parliament. So far the claim has been decided against Manitoba by the Supreme Court, and as my honourable friend has said, by the Railway Commission. Manitoba has appealed to the highest court, the Privy Council. If this Bill passes without the amendment that I propose, the appeal to the Privy Council fails, for it would be useless for Manitoba to go on claiming that it had certain rights, when this very Act takes them away.

Hon. Mr. DANDURAND: I take it for granted that the general policy of this Bill is to do away with all the entanglements that would impede the Board of Railway Commissioners, and on that policy, I think, the Parliament of Canada should stand. In order to give you an idea of the situation which is created by the judgment of the Supreme Court in the interpretation of the Crowsnest Pass Agreement, I may mention that I am informed that out of 809 railway points in Saskatchewan alone, there are only 96 which are getting the advantages of the Crowsnest Pass Agreement. There is absolute chaos in the West, and the Crowsnest Pass Agreement, as far as flour and grain are concerned, under this Bill will now cover the whole of those three western provinces. I believe this will be a greater advantage to Manitoba than would the limited advantages declared to be the true interpretation to be given to the Crowsnest Pass Agreement. Under those conditions, I believe that in the present crisis all the pretensions that have come from British Columbia or from Manitoba, or from anywhere else, must be set aside in order that the Board of Railway Commissioners may have a free hand.

For this reason especially I suggest that the amendment be not entertained.

Hon. Mr. SHARPE: When did the Railway Commission give its decision that the agreement of 1891 had no effect?

Hon. Mr. DANDURAND: I confess that my honourable friend put the same question to me on Saturday, and I should have looked up the date of the decision. I know that the Board was presided over by Sir Henry Drayton, so it must have been before 1920.

Hon. Mr. SHARPE: If the Railway Commission had control, what was the reason for the War Measures Act of 1918 or 1919?

Hon. Mr. DANDURAND: I do not know; I have not the exact date when the decision was rendered, so I cannot answer the question.

The amendment of Hon. Mr. McMeans was negatived.

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REVISED EDITION

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

SUNNYBRAE-GUYSBOROUGH BRANCH LINE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 210, an Act respecting the Construction of a Canadian National Railway Line between Sunnybrae and Guysborough, in the Province of Nova Scotia.

He said: Honourable gentlemen, this is one of the Bills we studied last year in the Standing Committee on Railways, Telegraphs and Harbours. With three or four other Bills, it was rejected by the Senate. Since then we have had from the House of Commons already this Session, two Bills which were again submitted to our deliberations and adopted. This Bill has for its object the building of 67 miles of railway running from Sunnybrae to Guysborough. There was last session quite a difference of opinion in regard to the advisability of building this road. The Committee hesitated considerably before it rejected the Bill, though at one time I thought it would give its assent to it. As far back as 1911 it had been decided to build this railway, and, if I mistake not, a sum of money for that purpose was included in the Supply Bill and voted by Parliament. There was a change of Government in 1911, and for some reason or other the construction was not proceeded with. The question now is as to the wisdom of doing what was not done in 1911, and which was postponed last year. I do not know what the members of the Senate felt, as to the length of time that should elapse before the Bill should be again submitted for the consideration of this Chamber; but it is now with us, and will be sent to the Committee to be examined seriously, like all the other Branch Line measures.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend if it is his intention to have this Bill referred to the Standing Committee on Railways, Telegraphs and Harbours, if it be read a second time?

Hon. Mr. DANDURAND: Of course, it is a public Bill, and should rightly belong to the Committee of the Whole; but if there is any suggestion that it should be examined before the Standing Committee on Railways, Telegraphs and Harbours, as was done last year, I have no special objection.

Hon. Mr. DANDURAND.

Hon. C. E. TANNER: I have a few observations to make in regard to this proposal. I am quite well aware that there is to some extent an atmosphere of what might be called scepticism in regard to this project, a scepticism which I think is not justifiable when the merits of the measure itself are considered, but which is the product of the sponsors in Nova Scotia of this measure. In my judgment they are wholly responsible for any adverse sentiment which prevails in regard to the usefulness or public advantage of this proposed railway. I shall give some evidence on this aspect of the matter, and the manner in which the measure is being treated by those sponsors in another House.

On the 8th of this month the Minister of National Defence found it advisable proceed to Nova Scotia. While there to While there he attended a meeting called for the purpose of nominating candidates for the provincial election which is now being held. With that I have no fault to find: he had a perfect right to go to the meeting and make an address there; but when that honourable gentleman, for his own purposes, chose to issue a challenge to the members of this House, I think he did so more for the purpose of causing the defeat of the measure in this House than to promote it. At that meeting in Pictou the Minister of National Defence said that last year this proposition had been defeated by the Tory Senators. That statement was absolutely untrue. The Bill was defeated by the unanimous vote of the whole Senate. The evidence can be found in the Senate Debates of July 3, 1924. The Bill was reported against by the standing committee on Railways, and its report was unanimously adopted by this House without one word of debate. Therefore I say that that honourable gentleman made a statement which he must have known to be wholly untrue, because he had access to these records, and must have known what actually took place in this House.

In addition to that, the honourable gentleman proceeded to challenge this House by saying that he was coming back to Ottawa, and that this Bill would be introduced then, and he would see what the gentlemen to whom he referred would do with it. I want to say that that is not the kind of atmosphere to create in this House or in any representative House where there is a sincere desire to have a Bill or a proposition go through; but it is the kind of action which I would expect from any person who had in his mind a desire to bring about the defeat of the measure.

Further, I wish to say that there is in addition this evidence that the matter has been unduly delayed. It was not introduced in the House of Commons until June 15, one whole week after the date I mentioned. There was no reason for that delay. Last year the Bill went to a Committee, and this year it should have been brought down earlier in order that, if desired, it might have been sent to a Committee of the Senate for further consideration. Therefore I say that the evidence is clearly conclusive that the sponsors of this Bill are so directing their footsteps in the other Chamber as to bring about the defeat, and not the success, of this project.

In view of what the Minister of National Defence has said, I want to remind this House that the proposal to build a railway through the counties of Pictou and Guysborough to connect the districts in that section with the Intercolonial, now the Canadian National, is a very old story. Back in 1897 the then Premier of the province, Hon. G. H. Murray, who took over the reins of office from Hon. W. S. Fielding, issued his manifesto to the electors, and one of the pledges he gave to the people of the eastern part of Nova Scotia was that his Government would build the Guysborough Railway. I am speaking of matters of which I have personal knowledge. His Government was returned to office, and the Guysborough Railway was allowed to slumber without any action being taken to implement the pledge he gave to the people of that Province.

In '1901 there were provincial elections again, and under the leadership of Mr. Murray this Guysborough Railway project was put in the forefront, in the manifestos, in campaign speeches, and in the press supporting the Murray Government. I remember that one of the appeals in the county of Pictou, which is much interested in the project, was: "Vote for Dewar, Macdonald and Patterson and the railway." That was 24 years ago. Patterson and Macdonald were elected, and the Government was returned. I happened to be elected in the place of Mr. Dewar, but I did not have with me sufficient force in the Legislature to prevent the construction of the Guysborough railway, or the fulfilment of the pledge in that regard by the Murray Government if I desired to do so.

But I would like to ask why this gentleman, who is now the Minister of National Defence, has himself lagged so long in the construction of this railway—why he has allowed so many years to elapse since 1901 without ever striking a tap on the Guysborough railway, and now $S-41\frac{1}{2}$ comes back, at this very late period, and accuses Tory Senators, forsooth, of being the guilty parties in that regard.

That does not complete the history. There were Dominion elections in Nova Scotia in 1904, and nothing having been done in the meantime, this railway of course appeared on the horizon of the political campaign. In that year there was a step taken. There was a largely advertised meeting down in one of the districts through which the railway would run; there was a turning of sods and the wheeling of wheelbarrows, a sound very much like the construction of a railway, just on the eve of polling day; but after polling was over the wheelbarrows were put safely away, and the sod was allowed to remain as it was.

Hon. Mr. DANDURAND: What year was that?

Hon. Mr. TANNER: 1904. Two years later Mr. Murray again went to the country, and of course, he could not do so without a Guysborough railway. Accordingly, in that campaign, he wen't across from Halifax to Dartmouth, I think with several brass bands, and at a well-advertised meeting, announced that the contracts were all ready to be signed; that nothing was delaying the matter except the transfer of the subsidies by the Laurier Government, which was then in power, from one company to the other; and the world was assured that there should no longer be any doubt in regard to the construction of this railway. So Mr. Murray rode into power again on the van of the Guysborough Railway.

But the history does not finish there. The Provincial Government laid down the pickaxe and put aside the wheelbarrow, and appealed to Ottawa, and in 1911 a vote was put in the Estimates of this Parliament for the construction of a railway in Guysborough. T want to give honourable gentlemen the facts in regard to that phase of the matter. Parliament was dissolved in 1911, on July 29. Tenders for construction of this railway were advertised for on August 12, the tenders to be received until September 15. The election day was September 21. Tenders came in, and after the defeat of the Government, on October 2, the tenders were accepted. But what was the contract? The contract was for the construction of a railway, not from Sunnybrae to Guysborough, or from Sunnybrae to Country Harbour. They had split it into two divisions, and the section which was advertised was the section from Guysborough to Country Harbour, which would be in a sense like building a railway from Port Churchill to Nelson, and leaving the people who wished

to reach that railway to drive down or to sail up or to go by airship. It was simply to be round about within the county, without any connection with the main railway.

Hon. Mr. DANDURAND: That was the first section.

Hon. Mr. TANNER: That was the first section, and that was the section that was advertised for the purposes of the election, and was talked about as if it were the complete project which was going forward. When the Government changed, that contract was revoked by the Borden Government.

I have mentioned these details, honourable gentlemen, not because I desire to discredit this project, but simply to show to honourable gentlemen that if there is, as I say, an atmosphere of scepticism or doubt in regard to this project, it is only attributable to the people who have been pretending to be the friends of the project, but who have used it for no other purpose than a political football for electioneering purposes. In Nova Scotia the matter was never heard of until the writs were either issued or about to be issued. And of course there is an election on now, and the same hubbub is going on now and the same accusations are being made about the Conservative Party in regard to this project.

I want to say that so far as I am concerned I am going to vote for the proposition. I always supported it while I was in the Legislature, and I did the best I could to urge the Government of that Province to display some measure at least of sincerity in regard to it. I support this proposition because I think that the districts on their own merits are deserving of railway communication. Agriculturally they are amongst, the most fertile districts of Nova Scotia; there are large lumbering interests in those districts, and there are important fishing interests in that part of the Province. I am told now on what I believe to be dependable authority that there is quite an important industry developing down there in a certain species of spruce which is required in the United States for manufacturing purposes, and that considerable quantities are beginning to go out of the lower part of Pictou county and Guysborough county for that purpose. It is a well-known fact that the fishing industry in that part of Nova Scotia is an important factor in the prosperity of the whole Province. The fishermen from Gloucester come over to the same districts of the sea in which the fishermen of Guysborough carry on their work. Those Gloucester fishermen require at least two days to make their port after filling their schooners with the catch. Nova Scotia Hon. Mr. TANNER.

fishermen could come into Country Harbour in the course of a few hours, and if they had railway facilities for despatching fresh fish to the upper Province markets, they could easily land it in Montreal and farther west points more quickly than could the Gloucester fishermen. On its merits, therefore, I am supporting the Bill from the local point of view.

I have also always supported this measure because I have looked forward to it-and I know the Borden Government looked forward to it—as the beginning of a through line with low grades that would eventually be the means of more satisfactory transit between the Island of Cape Breton and the western parts of Canada. That also is one of the reasons, I understand, why the management of the railways are at present recommending it. They propose, of course, to contruct a cheap line of road at the beginning; but, from my reading of their representations, they are intending to build so that later on the project which was in the mind of the Hon. Mr. Cochrane and of the Borden Government in 1914 and 1915 can be put into effect, and to make that a low-grade line from the farthest end of Cape Breton through Nova Scotia to the Western Provinces.

Now, I want to call the attention of the House to the fact that after the change of Government in 1911, when all this flamboyant political action on the part of the people who pretended to be the friends of the Guysborough railway had passed away, the then Minister of Railways, Mr. Cochrane, took this matter into his serious consideration. I have a distinct personal recollection of interviews taking place in that Province between the people of those districts of Nova Scotia and Mr. Cochrane. I am quite well aware that at the beginning he was not favourably disposed to the project, but he undertook to look into it, and he did look into it in 1913 and 1914, and caused very careful and exhaustive surveys and investigations to be made on the line of the proposed railway. Honourable gentlemen who desire to study the matter will find references to what I am saying in the House of Commons Debates of They will find there the statement 1914. by Mr. Cochrane of the results of his investigations, of the fact that he had been able to discover a very low-grade line equivalent to anything on the Grand Trunk Pacific. Honourable gentlemen will also find there Sir Robert Borden, the then Leader of the Government. practically undertaking that the claims of eastern Nova Scotia in regard to the construction of this railway would receive careful and sympathetic consideration.

The result of all that was that in 1915 the Borden Government undertook to begin the construction of the railway. \$1,000,000 was placed in the Appropriation Act for 1915, and I have no doubt that if the war had not intervened, with all its terrible conditions, the Government of that day would have proceeded with the construction of the proposed railway. This, honourable gentlemen, is another reason why I am supporting the project to-day and why I think that eastern Nova Scotia is entitled to the favourable consideration of this House.

Now, I am aware that last year, when the Railway Committee of this House considered this Bill, representatives of the railway management appeared before the Committee, and that one of them eventually killed the project. My friend the Minister of National Defence very carefully avoided that fact. It is a fact, however, and the minutes of the Committee show that on Wednesday, July 2, Mr. H. H. Macleod, who, I judge from the annual report of the National Railways, holds a very high and responsible position on the Executive of those railways, appeared before the Committee, and practically, and in fact in words. damned the proposition. I do not desire to detain the House by reading all of the statements which were made before the Committee, and will content myself with reading one or two. Mr. Macleod was asked: "Is that the valley from Sunnybrae to Aspen?" and he answered, "Yes, I recommended at that time to our then President, Mr. Hanna, that I could not justify the construction of a line beyond Aspen. That was as far as my recommendation would go." Then, later, he was asked: "That takes you far from Sunnybrae?" to which he answered: "I estimate 25 miles; they tell me it is 29 miles to Aspen. I question whether it should go as far as Aspen; it should stop at some suitable siding where there are good roads. There are good roads there." That is the substance of the statement Mr. Macleod made to the Standing Committee of the Senate last year, and that is the statement which killed the Bill at that time, so far as the Senate was concerned. I expected my honourable friend the Leader of the House to give us some explanation in regard to that.

I was expecting that this Bill would have been down here some weeks ago, so that Mr. Macleod might be recalled or so that Sir Henry Thornton himself might come—because he gave us his unqualified recommendation of the whole line; and I also expected the representative of Nova Scotia on the Board of the National Railways, Mr. R. H. McKay, to be here to give the Senate reasons.

as I believe he could, why this railway should be built not only from Sunnybrae to Aspen, but from Sunnybrae to Country Harbour. My honourable friend can tell me whether or not any of those gentlemen are here, whether the Senate will have access to any information they can give, and whether Mr. Macleod has other conclusions in his mind to-day, and is prepared to withdraw the statements he made to the Committee last year.

Now, honourable gentlemen. I have not much more to say. In view of the facts I have stated, and which I believe can be venified, there are good commercial reasons why the people of Eastern Nova Scotia should be provided with railway communications. They have been induced for 30 or 40 years to believe, that they were entitled to that communication; they have been promised it over and over again; and the promises of the Governments before 1911, which unfortunately proved to have their foundation upon sand, were implemented by the assurance of that level-deaded man, now departed, and whom we all regret, the Hon. Frank Cochrane, and by the then eminent Leader of the country, Sir Robert Borden. I am very loth to believe that those gentlemen and their colleagues would have presented a project of this kind to Parliament unless they believed there were economic and commercial reasons for its construction.

Another reason that I have in my mind why this project should receive favourable consideration is this. Parliament is in a very compassionate frame of mind at the present time, not only in the other House, but in this. There is in the Estimates which have passed the other House a gift of \$1,300,000 for the construction of a grain elevator at Prince Rupert, where no grain elevator is needed at all, and where there is absolutely no justification for the expenditure of one dollar. Yet I fancy that money will be voted not only by the other House, but probably by this.

Hon. Mr. DANDURAND: Does my honourable friend approve of the vote for the grain elevator at Halifax?

Hon. Mr. TANNER: There you have a thriving, busy community; there the railway management says a grain elevator is needed, and it has been considering the matter now for two or three years, and finaMy, after looking into it from every angle, has decided that it would be good business to build that grain elevator. But, as my honourable friend knows, the only way the grain elevator at Prince Rupert can be fed with grain is by taking it away from Vancouver and carrying it 200 miles further than it would have to be car-

ried to Vancouver. I am not opposed at all to the development of the ports of the West; but I look upon Vancouver as the great port of the West-as the port that should be built up; and I see no justification for the Government attempting to build up opposition to Vancouver until Vancouver Las been put on a footing which will make it the admiration of the whole of Canada. We have been very generous to the city of Montreal in regard to a bridge. Some very large sums of money are being voted out of the Federal treasury for works in reference to which if they were proposed in Nova Scotia, I am sure we would be told to pay for them out of the Provincial treasury. However, we are in a generous, if not compassionate frame of mind in supplying the city of Montreal with the money for the proposed bridge.

Hon. Mr. DANDURAND: The Government does not give any money.

Hon. Mr. TANNER: We have \$21,000,000 invested at Quebec, which is such a good investment that it does not pay one copper of interest. I like Quebec; I am always glad to visit Quebec, and I like to see it receive its dues. We have given it \$21,000,000, and now we are giving it \$5,000,000 more. Some honourable gentlemen tell me this Guysborough railway will not pay for the cost of running it-that it will never make any re-What about Quebec? Quebec gets turn. \$21,000,000 plus \$5,000,000, but it is not able to pay a cent of interest on the money, and therefore that is a dead investment. When we put \$26,000,000 into a dead investment in the city of Quebec, why should we turn a deaf ear to Nova Scotia when it asks for an investment of \$3,500,000 for the Guysborough railway? We have been compassionate enough to vote \$3,000,000 to the depositors of the Home Bank. We have been careful enough to say that we eliminate all semblance of right-even that nebulous thing, which nobody has been able to describe, "moral right in equity." It will go down in history, I think, as an expression which no living man understands except the man who made it. and I doubt if he understands it. At any rate, compassion is the clear ground upon which we are voting the \$3,000,000 and making a gift to the unfortunate depositors of the Home Bank of Canada.

Now, I desire to arouse the compassion of the honourable members of this House for the people who live away down in the far eastern part of Nova Scotia, where they have been waiting and waiting and waiting for thirty and more years for the sound of the railway whistle.

Hon. Mr. TANNER.

Hon. L. C. WEBSTER: How many are there?

Hon. Mr. TANNER: If there is no other reason that I have stated which will appeal to honourable gentlemen, then I ask them, out of compassion for this long-suffering people in that part of Nova Scotia, to vote the three and a half millions in order that they may obtain some measure of justice.

Honourable gentlemen, I do not wish to delay the House any longer. I would like honourable members to eliminate from their minds the idea which. I am sorry to say, has been created, and to which I referred at the beginning of my remarks, that this railway project has no merit. I think it has real and substantial merit, when it is considered aside from the partisan views with which it has been clouded for a great many years. I trust that honourable gentlemen will remember that there is a great deal of discontent in Nova Scotia, and in the Maritime Provinces generally. I am sure they would be astounded if they were to read the statements which are being put out now from day to day by the Liberal leader of the Government of Nova Scotia, Hon. E. H. Armstrong, who is voicing sentiments which seem to me to indicate that nothing short of a smashing of Confederation and a separation from Canada will satisfy him. The grievances he alleges against the Dominion are many and great, and, so far as he is concerned, it would appear that we are coming to the parting of the ways. I do not think-myself-the situation is quite so bad. I think perhaps he is exaggerating for the purposes of the election, but I am satisfied that there is really, throughout the province, a great deal of discontent, and it is felt that when matters concerning the Maritime Provinces come up for consideration here, they receive very short and very unsympathetic shrift. I would like honourable members to have fair minds when they are voting upon this matter, to remember what I have already stated as reasons why this Bill should be supported, and to feel that they should show by their vote some desire to cultivate the good-will of that Province.

The Hon. the SPEAKER: Honourable gentlemen, the honourable member who has just spoken made a remark with regard to the Minister of National Defence which should not be allowed to pass. He said that the statement of the Minister of National Defence was untrue. I do not think any honourable gentleman should make such a remark with regard to a Minister of the Crown. Hon. Mr. TANNER: I am not referring to anything the honourable gentleman stated in the House of Commons: I am referring to what he said on the stump.

The Hon. the SPEAKER: I will read to the honourable gentleman what May says:

It is obviously unbecoming to permit offensive expressions against the character and conduct of Parliament to be used without rebuke; for they are not only a contempt of that high court, but are calculated to degrade the Legislature in the estimate of the people. If directed against the other House, and passed over without censure, they would appear to implicate one House in discourtesy to the other; if against the House in which the words are spoken, it would be impossible to overlook the disrespect of one of its own members. . . .

And so on. It is perfectly true that the honourable gentleman was referring to something outside the House, but I do not think those expressions should be used with regard to any member of the Government.

Hon. Mr. TANNER: Honourable gentlemen, I have a very strong desire to comply with any parliamentary rule, and if there is any fiction by which I could, in a parliamentary sense, mellow or even withdraw any statement of that kind, I would be most happy to comply with the rule. But what troubles me is that what I said is a fact.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it is with some trepidation that I speak upon this Bill. I have a vivid recollection of our treatment of it last Session, a treatment which I think was in accordance with the evidence submitted to us. A new feature of this Bill has been presented today. This proposal seems to have done service in this country for the last thirty years, on the eve of every general election, whether Provincial or Dominion, and if we removed it now from out the political arena by building this road, I know of nothing that would take its place. When you consider the historical and pollitical interest of this project and the important role it has played from the nineties down to the present time, under all Governments, Provincial and Federal, it is difficult to say that it should suddenly materialize and this line be built.

This is a road 67 miles in length, and it is proposed that the Dominion should spend upon it \$3,500,000, or \$52,238 per mile. I could quite appreciate the compassionate appeal of my honourable friend from Pictou if the railways were in a prosperous condition, but when we recall the unfortunate fact that we are paying over a million dollars a week on account of the railway deficit, and that we are contributing about a million dollars a week in additional capitalization on behalf of this system, it is difficult to adjust our minds to

that compassionate state in which we would vote out of the Treasury at once three and a half millions of dollars for the construction of the proposed line.

Hon. Mr. TANNER: We did that in reference to Quebec.

Hon. Sir JAMES LOUGHEED: The indebtedness of Quebec was trivial, I would point out to my honourable friend. Quebec owes us about \$20,000,000-\$12,000,000 in capital and \$8,000,000 in interest. If this road were in a more prosperous condition I would certainly lend a somewhat sympathetic ear to the appeal from my honourable friend from Pictou. The Chief Engineer of the system, Mr. Macleod, appeared before us last Session. He was familiar with the road, having inspected every mile of it at the special request of Mr. Hanna, then the General Manager. Mr. Macleod reported against our entering upon a construction of this nature. In view of this fact, how is Parliament to justify itself, even on the eve of the general election which is to take place in Nova Scotia, in spending three and a half millions of dollars to influence the result one way or the other? If we were asked to spend a lesser sum than three and a half millions we might take the request into our prayerful consideration, but three and a half millions is really too much, honourable gentlemen, for a provincial election in Nova Scotia.

I asked my honourable friend the leader of the Government if, in the event of our giving second reading to this Bill, he would have it submitted to the Standing Committee on Railways, Telegraphs and Harbours, where we might further investigate the wisdom of building the road, and I understand from him that he is not unwilling to do that. If this Bill goes before that Committee, I feel that additional evidence ought to be pro-If it is possible to convince the duced. honourable gentlemen of that Committee, or the honourable members of this House, that we should spend this money, in view of all the facts mentioned by my honourable friend from Pictou and by the honourable leader of the Government, we probably would not say them nay; but in my judgment it is somewhat difficult to secure that evidence. However, I would say to my honourable friend that we on this side of the House do not hesitate to agree to the second reading of the Bill if we are not committed to its principle and it is to go before the Standing Committee on Railways, Telegraphs and Harbours.

Hon. WILLIAM ROCHE: Honourable gentlemen, on this subject, very interesting to Nova Scotians, I would not like to be absolutely silent. I notice that several honourable Senators from Nova Scotia who are familiar with the locality of the enterprise projected are absent. The allurements of that political contest in Nova Scotia which has been mentioned may have attracted them. At any rate, they are not here to advocate the construction of this railway from Sunnybrae to Guysborough, and I take the liberty of presenting myself in their place—not that I can be so useful or so influential in advocating the measure, but simply that I desire to express my personal interest in the enterprise which has been delayed so long.

I was very glad to hear the explanation of my honourable friend (Hon. Mr. Tanner) who was formerly of Pictou, but, having turned his eye farther west, is now resident in Halifax. He has spoken upon two points: first, the advantage of the projected railway to the railway system; and, secondly, the advantage to the inhabitants of the district more to the south, which is a very prolific lumber region, and enjoys no railway communication whatever. The inhabitants of that district, in view of the development of the lumber industry and the great possibilities of that portion of the country, heretofore untouched, think that now is the opportune time for a railway to be constructed to assist them in their enterprise and in the development of that section.

The testimony of a railway official before the Committee last year, to which reference has been made, was directed, I think, against the advisability of the line as a railway project, rather than the possibilities of developing a large portion of the country for lumbering and other purposes. Consideration was given, I think, mainly to the connection between the Intercolonial Railway at New Glasgow and the Intercolonial terminus at the Strait of Canso, or the shortening of the route between those two points.

My honourable friend, lately of Pictou and now of Halifax, went back a little into history. I would suggest to him that it is not so desirable and not so becoming, at this very late stage of the Session, to go back into history in order to prove who was the lukewarm friend of this enterprise, as to demontrate now who are its warm friends advocating that it be actually commenced and completed. It is quite true that various Governments and authorities have been convinced, first of all, that this project is a proper one, and, secondly, that it is so desired by the inhabitants that it might influence elections in that part of Nova Scotia-primarily and demonstrably, the election in Pictou County, where

Hon. Mr. ROCHE.

my honourable friend was a candidate, as well as head of the Opposition Party. Between the honourable Minister of National Defence and my honourable friend from Pictou, there has been very keen rivalry in the past. I do not know that my honourable friend could say that the Minister of Defence has been at any time less friendly than himself to this project. It was not purely an election dodge, or something put forward as a bait for the electors, in order that they might vote for this party or for that. Those elections are not so numerous in Nova Scotia as they have been depicted, and it was not always on the eve of an election that this Sunnybrae-Guysborough line was proposed. It was always a popular measure. I intend to support it and vote for it on the ground that it will be a great advantage to the people of that section, and also a great advantage to the trade of the country. My honourable friend (Hon. Sir James Lougheed) attached to this project the unfavourable returns from the whole Canadian National railway system. There is a railway running from Halifax to Musquodoboit, which was thought to be an unwise, a chimerical project, and which is now ascertained to be the very best paying portion of the Intercolonial and is carrying the precise classes of commodities which are produced in the section of country which would be traversed by the proposed line

The Intercolonial is discussed as a lower Province railway at every Session of Parliament by representatives from the central portions of Canada. I do not know that the representatives of the West are very inimical to this project, because they have felt that they wanted some little donation in the way of railway expenditure themselves. But let it be admitted that the Intercolonial Railway is not for the sole benefit of the Eastern Provinces. The Intercolonial produces more profit for Ontario and Quebec than it does for the Eastern Provinces, because goods from Ontario and Quebec are carried down and distributed in the East. So, if there be any deficiency on the Intercolonial Railway do not attribute it to the notion that that railway has been established for the sole benefit of the Eastern Provinces. It binds Canada together and is a very great producer of profit to Quebec and Ontario.

The charge which my honourable friend from Pictou and Halifax indignantly repels may have a little attachment or adhesion to the Conservative Party. This Sunnybrae-Guysborough project was debated before the Railway Committee, and I am told that those

who are now its warm friends voted against it. It was reported by the Committee, to this House, and the report was adopted unanimously. But I say now that we have passed compassionately, and with prudence and sagacity, votes for various portions of the country, regarding them with complacency and generosity, and with the feeling that we were benefitting the country. I would urge hon-ourable gentlemen not to reserve all their economic negations to a proposal to vote two or three millions for the benefit of the poor Province of Nova Scotia. Let us make it part of that generous system which has been accepted during this Session, and contribute to our friends who have long been looking and longing for this railway. All parties, Liberals and Conservatives, legal men and working men, and all the inhabitants, have been waiting for the construction of this road. Let it be said that this Parliament now sitting, passed this vote and gave to the people of Nova Scotia this help, in the general interests of the country.

Hon. JOHN S. McLENNAN: I would like to take a moment to explain my position in regard to this Bill. I think much should have been done for Nova Scotia that has not been done, and my objection to this Bill is that it proposes to build miles of a railway that is not part of any system, and not built on grades which would make the high-class line that has been spoken of, that would be so advantageous, and that I should be glad to support with all my heart. But this Bill would hinder work that ought to be done, that would give a proper return, namely, bringing the eastern portion of the National Railways to Sydney up to conditions and grade under which the traffic which orginates not only there but in Newfoundland could be carried profitably instead of being carried over a track that has such curves and grades that the more traffic they get the more unprofitable is the operation of that section of the Canadian National Railway.

Then I feel that this project is not sound, because this vote will prevent a vote of money for the better scheme.

Then, again, in justice to the district which I particularly represent, it seems to me that from the railway standpoint it should have priority. It is the second city in Nova Scotia, the largest revenue-producing district and yet Sydney and its environment, the terminus of Intercolonial Railway, the gateway to Newfoundland, has no adequate wharf facilities. \$250,000 would give an enormous increase in the power to distribute the goods of wholesale houses and manufactories in Sydney and North Sydney along the coast and into Newfoundland, and capture that trade, part of which is a growing trade through the new industries that are being established there, and through the better conditions of the fish trade which exist. Although this need has been brought year after year to the attention of the Governments and the Railway Commission, the National railways and at one of the finest seaports in the country without a wharf, and at the other side of the harbour, at North Sydney, with the most inadequate wharf facilities. For this reason I think that that development of the Intercolonial should have priority over a vote of money for a piece of railway which ends in the woods, which does not go to Country Harbour, which is or might possibly be made a fishing place of some importance-a road. which has not been planned with the proper grades to make an economical route to the East.

Under these circumstances I feel that I cannot support this Bill.

Hon. E. L. GIRROIR: Honourable gentlemen, I think we all have a desire to treat this question apart from its political bearings, and its influence on the Nova Scotia elections. When I came into this Senate I had a desire to treat every question on its merits, and to forget the political conditions of my youth as far as possible.

One of the arguments used against this undertaking by the honourable gentleman from Sydney (Hon. Mr. McLennan) is that it would not lower the grade of the Intercolonial Railway. That was a very wellthought-out principle of the Hon. Mr. Cochrane, who was formerly Minister of Railways.

Hon. Mr. McLENNAN: But did we not understand in the Railway Committee that the grading prepared by Mr. Cochrane had been abandoned for a lower standard of construction in this case?

Hon. Mr. GIRROIR: Be that as it may, my honourable friend goes further, and proposes to lower the grades of the Intercolonial Railway by building a wharf at Sydney and repairing the one at North Sydney. That is the only argument he has used, and the only remedy he has suggested for the present situation in eastern Nova Scotia.

As I understand the feeling of this Parliament, it is willing to spend money to provide railway accommodation for settlers who have located in different sections of the country in the expectation that at some time they would be provided with such accommodation. Over and over again in this House the argument has been advanced that in the West the settlers have been invited to settle in certain sections and have made their homes there in the expectation of a railway, and we have voted money for building such railways.

The people of Guysborough and Pictou, along the route of this railway, have in some cases settled 60 miles from a railway, and are shut off from communication by rail with the rest of the world for at least six months of the year, because they cannot possibly travel the roads and reach the Intercolonial railway at such a distance. If I had my way, I would build this road from Antigonish, and not from Sunnybrae, and thus do away with the difficult problem of building over mountains, which intervene on the line of railway as laid out. But this road would serve a large number of people, nearly 20,000 in the county of Guysborough, and perhaps as many along the route as far as it goes to Sunnybrae, and I think that we should spend a certain amount of money willingly to provide railway accommodation for those people, and enable them to get their goods to market at any time of the year.

The industries in Guysborough county are well known to everyone. The fresh fish trade is a very important one. The fishermen of Canso, and all along the line of this road, send their fish to the American market iced, and they have to keep them fresh till they are delivered on the market; so they need special transportation to the markets of the United States. I do not know what the value of this industry is, but it is very large, and a great many people are engaged in it. In some cases the catches of these fishermen are 60 miles from any railway in Guysborough county. If this railway were built those people would obtain ready access to the American market.

There are also large lumber industries all along this line of railway, which would pass through the most heavily wooded part of Nova Scotia. In Guysborough county it passes through a forest that has not yet been touched with an axe, and that timber is very valuable, containing wood needed in the manufacture of different articles, and for building purposes. That is an industry that might be fostered and increased if this railway were built.

Another very important industry is the mining industry. Mr. Faribault, one of the experts of the Geological Survey of Canada, made a very important survey of the gold mines of Nova Scotia, and showed that they are chiefly in the region which would be served by the railway in question. Thousands Hon. Mr. GIRROIR.

of dollars have been invested in this enterprise, and it is only fair that the people who have invested their money in opening up the country for that particular industry should receive encouragement.

I for one hope that this railway will be built. It may not pay at first, but eventually it will pay, because it will encourage the opening up of this country and the building up of those important industries along the line. We are voting millions from day to day, without any hesitation, through our spirit of benevolence and good will, for projects which have not as much merit as this one. I need not refer to the measures we have passed here; but we all know that one of the most important and most deserving things that Parliament can do is to open up different parts of the country in order to accommodate the settlers who have established themselves there at great risk and cost. Every time Parliament assembles we hear claims made by the people of the West that a certain band of settlers need railway accommodation, that this or that part of the country needs opening up. I should like to say that the people along this proposed line of railway settled there many years ago, and have gradually grown in population and importance until they have reached the stage where they not only need but deserve railway accommodation. They are an important factor in the country.

A few days ago we were discussing in this House the question of emigration and we found that the people of Nova Scotia were going in large numbers to the United States, and many honourable members advocated different means of keeping our people here, rather than allowing many to leave, and importing people from abroad to take their places. One way of keeping our people in this country is to open it up, and give them railway accommodation. I am sure that young men and women would not leave the counties of Eastern Nova Scotia if they had proper accommodation, but when they have to drive 50 or 60 miles to a railway to get into communication with the outside world, we cannot wonder that they leave it.

The counties of Pictou and Guysborough are very important. Pictou county has large coal industries, and is one of the most important counties in Nova Scotia, with several thriving industries as well as coal mining.

One of the arguments in favour of this railway is that it will connect New Glasgow and Pictou county with Country Harbour and Isaac's Harbour, which, in point of extent, safety and accommodation, are two of the finest harbours in the world, open all the year around. Millions of tons of coal could be shipped by water during the winter, as well as during the summer. Maritime men know this, and that is one of the strongest arguments in favour of this Bill.

I trust that honourable members who voted millions so willingly for relief to depositors in the Home Bank, and accommodation for settlers in the West, will support this Bill, because I think it is just, and the people in that section are entitled to consideration as well as those in other parts. No country can be built up without attention to its several sections, and if we are going to deny the East everything and give the West everything we will not do justice to the people of this country., As a member of this House I am quite willing to support propositions for the development of the West, but as a Senator from Nova Scotia I am entitled to guard, as fas as I can, the rights of that valuable province. At the time we entered Confederation we were promised railway communication with Western Canada. At that time this meant the central provinces, but the killing of this measure would mean that the people of Guysborough and Pictou counties could not now have communication with the prairie provinces. At present they have no opportunity of placing their goods on the market in Central Canada, and in order to secure that railway accommodation for them I will support this Bill very cheerfully.

Hon. Mr. DANDURAND: Honourable gentlemen, I told my honourable friend, in answer to his question, that I had no objections to sending this Bill to the Standing Committee on Railways, Telegraphs and Harbours. He said a moment ago—

Hon. Mr. GIRROIR: May I ask the Leader of the Government one question? There has been some argument between myself and the member from Sydney (Hon. Mr. McLennan) as to the change of grades on this road. The member for Sydney states that the grades as proposed by Mr. Cochrane do not obtain in the present project. I would like to know something about that, if the Leader of the Government has the information at hand.

Hon. Mr. DANIEL: You will get that in Committee.

Hon. Mr. DANDURAND: I know there was some question of grade in Committee, but my memory is not clear enough on that point to give a definite answer.

Reverting to the suggestion that the Standing Committee on Railways, Telegraphs, and Harbours would be entitled to further information on the merits of this project, I

am willing to do the best I can to obtain any further evidence that my honourable friend indicates; but I would remind him that when this Bill was previously under review in the Committee it was examined from all angles. We had more than one sitting, and I remember sitting past midnight one evening and hearing evidence from Mr. Cantley, from Mr. McIsaac and from other residents of the district, as well as from the engineers. I quite distinctly remember the impression made on the Committee by Mr. Macleod, who had inspected the whole district. I was impressed with his statement that there was a valley-the St. Mary Valley, if my memory serves me-for perhaps 25 or 27 miles, which the honourable gentleman from Pictou (Hon. Mr. Tanner) has mentioned as a very fertile valley and generally well settled. Mr. Macleod recommended the building of the line to that extent. With all the evidence we had, it seemed that the Committee might have agreed to the pushing of that branch at least down to the end of the valley. Sunnybrae is but the end of a branch itself. When we were considering the extension of branches for settlers and prospective settlers in the West, I thought that the inhabitants of our old Provinces who had been waiting for the coming of a railway for half a century or more should be given some consideration. 27 miles is quite a long haul to a railway. Mr. Macleod explained that there was a splendid lumbering district crossed by the survey, which represented what might be a very considerable freight for the railway. There were the three considerations: first the valley extending for many miles with its inhabitants on each side; second, the splendid forest of good lumber to be cut, and, third, the service of the fishermen. We had quite a lengthy discussion on the importance of serving those fishermen and giving them a chance to send their product expeditiously to market. On the whole, a fairly good case had been made out, and there was a moment when I thought the project would carry, or at all events the 27 miles would be agreed to; but the Committee decided otherwise. The project was examined from all angles, and I confess that I do not know what further information I shall be able to submit to my honourable friend. We will again have before the Committee one of the representatives of the railway company, who is regularly at hand, and some representatives of the district. Members of the Senate who know the lay of the land may be able to enlighten us somewhat; but, to tell the truth, I do not know exactly how we can throw more light on the whole problem.

Hon. Sir JAMES LOUGHEED: Do I understand that my honourable friend proposes to send the Bill to the Committee on Railways, Telegraphs, and Harbours?

Hon. Mr. DANDURAND: If my honourable friend insists. I intended asking my honourable friend if he still insisted.

Hon. Sir JAMES LOUGHEED: We will give it the second reading if my honourable friend will send it to the Committee on Railways, Telegraphs, and Harbours.

Hon. Mr. DANDURAND: All right.

The motion was agreed to, and the Bill was read the second time, and referred to the Standing Committee on Railways, Telegraphs, and Harbours.

NATIONAL BATTLEFIELDS AT QUEBEC BILL

SECOND READING

Hon, Mr. DANDURAND moved the second reading of Bill 205, an Act to amend an Act respecting the National Battlefields at Quebec.

He said: Honourable gentlemen, by Chapter 58 of 1908, and Chapter 5 of 1911, Parliament granted authority to the National Battlefields Commission to acquire centain lands set out and described in the said Acts. The present Bill is to authorize the Commission to acquire certain other pieces of property which are necessary for the purposes of the Commission. The President of the Commission states that they have on hand the necessary funds for acquiring the lands in question, subject to the approval of the Governor in Council; therefore the Bill does not involve any expenditure by the Government. The Bill, in regard to the acquisition of the land therein described, follows the form of the 1908 and 1911 legislation in the same regard.

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.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

PRISONS AND REFORMATORIES BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 206, an Act to amend the Prisons and Reformatories Act.

Hon. Mr. DANDURAND.

He said: Honourable gentlemen, last year an Act was passed, Chapter 62 of 1924, making the provisions of the Prisons and Reformatories Act relating to the Maritime Home for Girls at Truro applicable to the Interprovincial Home for Young Women at Moncton. This Act was passed under a misapprehension. The Maritime Home for Girls at Truro receives girls under 16 only, whereas the new home which is being established at Moncton, or rather at Coverdale, near Moncton, is intended for girls over 16. Accordingly the Act of 1924 is being repealed, and suitable provision is being made to authorize the commitment to the Interprovincial Home for girls and women over 16. These provisions are practically the same as have been made for reformatory institutions in other Provinces.

Hon. Mr. TURRIFF: I would like to ask the Leader of the House why there is a distinction made between Protestant girls and Roman Catholic girls.

Hon. Mr. DANDURAND: There is none. The distinction is between girls under 16 and those above 16.

Hon. Mr. TURRIFF: I think it makes a distinction.

Hon. Mr. DANDURAND: We can get that when we go into Committee.

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

CONSIDERED IN COMMITTEE AND REPORTED

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

Hon. Mr. Beaubien in the Chair.

Section 1 was agreed to.

On section 2—Protestant women over 16 years may be sentenced, etc.:

Hon. Mr. TURRIFF: I would like to know what reason there is for the distinction here.

Hon. Mr. ROBINSON: Perhaps I can explain. We have different institutions in the Maritime Provinces. These are largely conducted by the churches. We have different institutions for Protestant women and for Catholic women. That, I think, is the explanation.

Hon. Mr. DANDURAND: And this covers the Protestant institution.

Hon. Mr. ROBINSON: Yes.

Section 2 was agreed to.

The preamble and the title were agreed to. The Bill was reported without amendment.

THIRD READING

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

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

SMUGGLING TREATY BILL

FIRST READING

Bill 207, an Act for carrying into effect a Treaty signed 6th June, 1924, between His Majesty in respect of Canada and the United States of America, for the suppression of smuggling operations and for other purposes.— Hon. Mr. Dandurand.

SECOND READING

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

He said: Honourable gentlemen will remember that the Senate approved of the Treaty which is referred to in the preamble. The object of the present Bill is simply to empower the Governor in Council to make such orders and regulations as are deemed necessary to carry out the provisions and intent of the Treaty.

Hon. Sir JAMES LOUGHEED: Has my honourable friend any detailed recollection of the Treaty? I remember our dealing with it, but I cannot recall just what were its terms. It seems to me it was a Treaty with regard to alcoholic liquors alone.

Hon. Mr. DANDURAND: We may find in the preamble an answer to my honourable friend:

Whereas at Washington on the sixth day of June, one thousand nine hundred and twenty-four, a Treaty between His Majesty in respect of the Dominion of Canada and the United States of America, for the suppression of smuggling operations along the international boundary between the Dominion of Canada and the United States, and assisting in the arrest and prosecution of persons violating the narcotic laws of either government, and providing as to the omission of penalties and forfeitures in respect to the carriage of alcoholic liquors through Alaska into the Yukon Territory, and for kindred purposes, a copy of which has been laid before each House of Parliament. . . .

Honourable gentlemen will remember that we were granted certain privileges in connection with the transportation of alcohol to the Yukon, over the prohibition territory of the United States. There was some reciprocal arrangement.

Hon. Sir JAMES LOUGHEED: Will the Orders in Council passed by Canada and the regulations passed by the United States for the enforcement of the Treaty be uniform? What provision is there for ascertaining that they are? It is very desirable that there should be no marked difference between the regulations of the two countries. Hon. Mr. DANDURAND: I take it for granted that, as the two countries have joined in the Treaty, both will see to its application. We are proceeding to do so. If we found that the United States were remiss in their duty, we would naturally take notice, but I have no doubt that the two countries, having entered into an arrangement of this kind in good faith, will carry it out.

Hon. Mr. BEAUBIEN: Is not the purpose of the Government practically to carry on police work for the American Government at the border?

Hon. Mr. DANDURAND: I do not know exactly the terms of the agreement which was submitted to Parliament recently and approved.

Hon. Mr. BEAUBIEN: That is the purpose of the agreement.

Hon. Mr. DANDURAND: I do not remember now the details of the Act passed, or of the agreement approved perhaps simply by resolution.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

EXCISE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 234, an Act to amend the Excise Act.

He said: Honourable gentlemen, this Act was formerly known as the Inland Revenue Act, but by chapter 37 of the statutes of 1924, the title was changed to the Excise Act.

There was in the Act formerly a section 328A relating to licenses to pack or cure tobacco; this, however, was repealed in 1922.

Under the provisions of section 8, subsections (d) and (e) of the Excise Act, a stemmer of tobacco would be classed as a tobacco manufacturer and would require a manufacturer's license, costing \$50 annually. (See section 275.) The Canadian raw leaf tobacco industry is therefore handicapped by the obligation of compliance with the provisions of the law, which were established for the governance of the manufacture of tobacco and eigars, and did not contemplate any such industry as the stemming of Canadian raw leaf only.

There is every indication that a considerable amount of business may be developed in the exportation of stemmed Canadian raw leaf to Great Britain, and the British tariff gives preferential treatment to such raw leaf when grown in the British Dominions Overseas.

There would be no danger to the revenue in granting such stemmers' licenses.

The quantity of Canadian raw leaf used in tobacco and cigar factories in the Dominion has increased approximately 300 per cent since 1900, and has nearly doubled since 1908.

Under this Bill the license fee to be charged for such business is limited to the sum of \$2.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Tuesday, June 23, 1925.

First Sitting

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and Routine Proceedings.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, this is the end of our labours for this sitting of the House. The House of Commons will have no occasion to complain that we are delaying them in their work. I do not expect any legislation from the other

Hon. Mr. DANDURAND.

House before the afternoon, so I will move that the House do now adjourn.

Then Senate adjourned until 3 p.m. this day.

Second Sitting

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

Routine Proceedings.

EXPENSES OF CIVIL GOVERNMENT

INQUIRY

On the Orders of the Day:

Hon. Mr. McMEANS: May I be permitted to ask the honourable leader of the Government whether the Government's attention has been called to reports in the public press showing the line taken by the President of the United States in cutting down the cost of civil government on that side of the line, and, if so, whether the Government intend to profit by the example given?

Hon. Mr. DANDURAND: My honourable friend knows that no reduction can take place except in the controllable expenditure. We cannot reduce the uncontrollable; therefore all our efforts must be brought to bear upon that which is within our power to regulate. For the past 48 hours I have been expecting to receive considerable data from General Lord, and I intend recommending a serious study of his report to my colleagues.

Hon. Mr. McMEANS: That will be very pleasant news to take home.

RAILWAY FREIGHT RATES BILL

INQUIRY

On the Orders of the Day:

Hon. Mr. REID: I understand that at the time the Freight Rates Bill was being prepared, and before it was introduced in the House of Commons, an Order in Council was passed advising the Railway Board of the position of the Government. May I ask if any further Order in Council relating to that matter has been passed since them?

Hon. Mr. DANDURAND: As far as I am aware, there has not. There was a statement in that Order in Council that consequential legislation would have to be passed, and that legislation was passed by this House yesterday. I will try to obtain further information along the line of the inquiry of my honourable friend.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

GRAIN BILL

STATEMENT

Hon. Mr. DANDURAND: Honourable gentlemen, I understand that the Grain Bill is on its way to this Chamber; but, in view of a number of amendments to the Bill, which is a voluminous one, it must pass through the hands of the Law Clerk of the House of Commons. He must put it into shape, send the amended copy to the Printing Bureau, where the type is standing, I suppose, and have the corrections made, before copies of the Bill as passed by the Commons can be distributed to honourable members of this Chamber. We cannot expect the Bill this evening, but a great effort will be made to have copies of it distributed by eleven o'clock to-morrow morning, when we will proceed to dispose of it as rapidly as possible. If there is no better suggestion made, I suggest that our Committee on Agriculture, with some members, especially from the West, added to the Committee, to-morrow afternoon and evening look into the Bill. T understand that there are but few contentious clauses upon which there is any serious difference of opinion.

Right Hon. Sir GEORGE E. FOSTER: May I make a suggestion to my honourable friend? This Bill, as my honourable friend knows, is really a most important one. Many of the members of this House have had a good deal to do with grain legislation in the lower House before coming here. I myself administered the Grain Act for ten or eleven years, and, although I was never an expert in the grain business, I did make myself master of the general features of it. I understand that the present Bill is really a consolidation-practically a new Bill, and I have not the least idea what changes have been made or whether they involve any great principle. If my honourable friend would tell us exactly what are the fundamental changes in the Bill and how they affect the grain business, I think it would help our understanding of it, and might reconcile us, if anything in the wide world can, to the humiliation of having legislation of this kind thrown upon us within the last few hours of the Session. I know my honourable friend has a vast deal of work now on hand, and maybe it would be impossible for him to do as I suggest, but if he or some good man in the service of the Government could put the important changes before us, we could concentrate upon them and I think fairly get over the trouble.

Hon. Mr. DANDURAND: It was my intention that a representative of the Department which has to do with this Act as well as the Board who are here to advise the Minister, should be on hand to meet the Committee. They followed this Bill from beginning to end for days and weeks when it was in the Committee of the other House. I will ask them this evening to prepare themselves so that they may indicate to the Committee the important clauses upon which there has been a divergence of opinion. The so-called standard clauses, which contain no principle, and most of which have been unamended, may be disposed of very readily. I really believe that considerable work can be done in a relatively short space of time around the Committee room table. We all know that if we start discussing an important clause here, and everyone rises to put a question as to the effect of the clause, we could remain here quite a few weeks. I am certain that our Committee, by addressing itself to the solution of the problem, can in a few hours go through the main clauses of the Bill.

My honourable friend speaks of the humiliating situation in which we are placed. When he has been here a few years longer, he will realize that we can protect our own dignity very easily. I have had occasion to say that if honourable members who have a knowledge of the working of this Act go into the Committee and find that it would take too long to give the Bill serious attention, and that it could well afford to stand over until next Session, I would not hesitate to withdraw the Bill.

Hon. Mr. WILLOUGHBY: I presume it will be within the powers of the Committee to hear others than representatives of the Government or of the Grain Board?

Hon. Mr. DANDURAND: Yes. It is not within my province to do so, but I would suggest that the gentlemen limit themselves to explanations, and do not make long speeches.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Wednesday, June 24, 1925.

First Sitting

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

SUNNYBRAE-GUYSBOROUGH BRANCH LINE BILL

CONCURRENCE IN REPORT OF COMMITTEE-BILL REJECTED

Hon. Mr. BLAIN moved concurrence in the report of the Standing Committee on Railways, Telegraphs and Harbours on Bill 210, an Act respecting the construction of a Canadian National Railway Line between Sunnybrae and Guysborough, in the Province of Nova Scotia.

Hon. Mr. DANDURAND moved in amendment that the report be not concurred in, but be referred to Committee of the Whole House.

Hon. Mr. CASGRAIN: Honourable gentlemen, I desire to call the attention of the House to the fact that this report is not correct, in my opinion. What was moved in the Committee was that the preamble had not been proven. That was the sole motion, and somebody since then has added something to the report, giving the ground of expediency, etc. The Committee were the best judges, and they have not decided about expediency or anything of the sort. There is a rule of the Senate, rule 126, which says that—

I am sorry to say I cannot proceed.

The amendment of Hon. Mr. Dandurand was negatived on the following division:

CONTENTS

Honourable Messieurs:

Aylesworth Belcourt, Dandurand, Girroir, Haydon,	Pare.	Allen),	McHugh, Ross (Moose Thibaudeau, Turgeon, Watson.—10.	Jaw),	
		TOTT	CONTRENENC		

Honourable Messieurs:

Blain, McMeans. Mulholland. Donnelly, Fisher, Reid, Robertson, Foster, Foster (Sir George), Sharpe, Gillis, Smith, Gordon, Todd, Griesbach, Webster (Brockville), White (Inkerman), Kemp (Sir Edward), Laird. White (Pembroke), Lougheed (Sir James), Willoughby.-23. Macdonell,

The motion for concurrence in the report of the Committee was agreed to.

PRIVATE BILLS

REMISSION OF FEES

Hon. Mr. BELCOURT moved:

That the fees paid upon Bill K5, intituled an Act to incorporate Mutual Plan Company of Canada be refunded to the solicitors, for the promoters, less printing charges.

Hon. Mr. DANDURAND.

He said: Honourable gentlemen will remember that the Committee advised the promoters of this Bill to drop it for the present and bring it back next Session.

The motion was agreed to.

FIRST READING

Bill 11, an Act to incorporate Dominion Chartered Customs House Brokers Association. —Hon. Mr. Haydon.

SECOND READING

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

Hon. Mr. McMEANS: Would the honourable gentleman explain?

Hon. Mr. HAYDON: Honourable gentlemen, I am sorry that I have not by me any memorandum of explanation except what can be gotten from the Bill itself. It is a Bill to incorporate a number of gentlemen of the cities of Montreal, Toronto, Winnipeg and The Vancouver as Customs House brokers. objects of the Bill are to fix standards of skill and competency for the members and promote efficiency in Customs House Brokers. and for these purposes to hold examinations and grant certificates to persons who have passed such examinations. Other clauses provide for the holding of properties, the establishment of a head office and the appointment of a board of directors, and for the approval of such by-laws, rules, etc., as such associations generally have. I see nothing in the form of the legislation other than has been frequently passed by the Parliament of Canada with respect to such institutions.

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

Hon. Mr. HAYDON: I move that the Bill be referred to the proper Committee.

Hon. Mr. WATSON: Banking and Commerce.

Hon. Mr. HAYDON: I do not think it deals with banking. I think it is one for the Miscellaneous Private Bills Committee.

Hon. Mr. TURRIFF: I would like to ask if there is anything in this Bill that would prohibit anyone from acting as customs house broker unless he were a member of that Association?

Hon. Mr. HAYDON: I do not think so.

Hon. Sir JAMES LOUGHEED: Does it make Customs Brokers' organization a close corporation? Hon. Mr. HAYDON: No, the persons named here, together with such other persons as may become members of the Association, are incorporated under the name of Dominion Chartered Customs House Brokers Association, hereinafter called "the Association."

Hon. Mr. DANDURAND: Look at the powers.

Hon. Mr. HAYDON: The powers and membership of the Association are defined in sections 2 and 3:

2. The purposes of the Association shall be to fix standards of skill and competency for its members and thereby promote efficiency in customs house brokers, and for the said purposes the Association may throughout Canada,—

(a) hold such examinations as are found expedient; and

(b) grant certificates of efficiency to persons who have passed such examinations.

3. The membership of the Association shall consist of persons who have passed the prescribed examinations, and of such persons as the directors may admit as non-certificated members until such time as they have passed the prescribed examinations, and of whose quelifications and fitness the directors may approve.

Hon. Mr. DANDURAND: I would think, honourable gentlemen, that this Bill affects so vitally the trade of this country that it should go to the Banking and Commerce Committee, rather than to the Committee on Private Bills.

Hon. Mr. HAYDON: I move that it be referred to the Committee on Banking and Commerce.

Hon. Mr. McLENNAN: I presume copies of the Bill will be distributed; apparently there are none at this end of the House.

Hon. Mr. DANDURAND: Of course, it will have to be printed and distributed to the members of the Committee on Banking and Commerce.

Hon. Sir JAMES LOUGHEED: Before this Bill goes into Committee I would point out an objectionable feature in the powers outlined in the Bill. It proposes to vest in the incorporators the right to form an organization that will issue certificates as to the fitness of those who may make application to belong to the organization. The implication, therefore, is that those who do not belong to the organization, who do not take out certificates, are unfit to act as Customs Brokers. There is a very large group of men acting as Customs Brokers throughout the Dominion, and they should not be subject to an implication of that kind, nor should they be forced to enter any organization that arrogates to itself the right to certify as to the fitness of men to act as Customs Brokers.

Hon. Mr. DANDURAND: I do not want to touch at all the merits of the Bill; it may have some virtue, and it may have some defects. I would suggest that the Banking and Commerce Committee examine the Bill, and if the Committee desires to call in its promotors or others for more light, and there is not sufficient time to make that inquiry, the Committee may in its wisdom decide to postpone the matter until next Session.

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The motion was agreed to.

AUSTRALIAN TRADE TREATY BILL FIRST READING

Bill 238, an Act respecting trade relations with Australia.—Hon. Mr. Dandurand.

GRAIN BILL

FIRST READING

Bill 113, an Act respecting Grain.—Hon. Mr. Dandurand.

SECOND READING

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

He said: This Bill is a consolidation of the Act, and contains the whole organization for . the grading and inspection of grain. Most of the clauses are to be found in the Act, but they are reproduced here because of the consolidation.

The clauses that may occasion some discussion and that may be to some extent controversial are few in number. They include section 88, which refers to the taking over of screenings; section 93, which creates a Grain Appeal Board, replacing the old Survey Board; section 96, which defines new varieties of wheat-Amber Durum, Red Durum and Kota, and also buckwheat. In the second part, section 79 provides for a Grain Research Laboratory. It does not initiate the work, which is already in existence, and is due to the initiation and the wisdom of the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) when he was Minister of Trade and Commerce. Section 112 concerns the management of elevators. Section 111, subsection 2, makes the pro-visions of the Act apply to all terminal elevators. Section 116, subsection 5, covers Goderich and Midland elevators. Section 140 deals with private elevators and inspection out of private elevators. Section 143 concerns seed grain elevators and pool country elevators. Section 150 directs how country elevators shall load on track when grain is released. Sections 234 and 235 are merely declaratory.

These are, I am informed, the main clauses that received the attention of the Committee on Agriculture of the other Chamber, which sat for many days on this Bill, and will very likely be dealt with by a Special Committee of this House which I will move for if this Bill gets its second reading.

Hon. A. B. GILLIS: Honourable gentlemen, I must claim the indulgence of the House for a short time, even in the dying hours of the Session. This measure is very important, and many reasons could be assigned for holding it over for another year, were it not for the fact that the Bill is practically a reprint of the Act of 1912, that the changes it makes are not very important. It is true, we have had the first draft of the Bill before us for some time; but, knowing that it had to run the gauntlet of the Committee of Agriculture of the House of Commons and also of the House itself, and that many changes might be made there, we were scarcely in a position to deal with the matter intelligently, and there was no great advantage in having the Bill as printed at that time. In the second draft there were not many changes of importance.

The Bill as we now have it makes certain changes in the old Act which will probably have some effect on the grain trade; but, speaking generally, these amendments are not of great importance.

The question of grain handling in Canada has been a live issue for many years. During the period from 1897 to 1914 we had no less than 13 Commissions appointed to deal with this question, some of them having been appointed by the Federal Government and some by Provincial Governments. In addition to those we had, a year or two ago, the Lake Freight Rates Commission, and, finally, the Grain Commission on whose recommendations the Bill before us was drafted.

I happen to be very well acquainted with the Chairman of this Commission, and I think a better selection could not have been made than that of Mr. Justice Turgeon to deal with this matter. He is a man of splendid ability, a very capable man. He went into all phases of the question as it applies to the grain trade, both directly and indirectly; but we find that, notwithstanding the very comprehensive inquiries they made, the Commission were unable to suggest any very radical changes in the Act. I do not think the grain-grower will receive a fraction of a cent more for his grain as a result of their deliberations, even if this Bill be passed. I think the Government might have saved about \$200,000, the cost of this Commission. I have not the exact figures, for my question on this point which has been on the Order Paper Hon. Mr. DANDURAND.

for some days is still without reply; but I am safe in saying that it cost more than \$200,000.

Honourable gentlemen, in looking over the original draft of the Bill, will observe that practically all the amendments proposed were suggestions made by the Board of Grain Commissioners. Had the Government, instead of appointing this costly Grain Commission, called in the members of that Board, and grain men who understand the situation, to consult with the Minister of the particular Department to which the subject appertained. I think the same end would have been accomplished, and the amendments we have before us to-day could have been brought in quite as well without that large expense. The report of the Commission is a very important one, and contains much valuable information; and from that standpoint there may be some little compensation for the amount of money spent on that Commission, though Commissions as a rule have not been able to accomplish very much to improve conditions in the grain trade.

The greatest help we have received in connection with the handling of grain in the West has been from the installation of the loading platform. The late Senator Douglas, who was a member of this House, and had been a member of the other Chamber, equally with the honourable member for Assiniboia (Hon. Mr. Turriff), worked in this connection, and succeeded in establishing for the people of the West the privilege of loading grain from the loading platform. Of course, it is not a very convenient way of handing grain, as it involves a great deal of hard labour; but at the same time it is very important to have this alternative method of handing grain, as the farmer having the advantage of a loading platform can reach the elevator man and probably make a better deal with him in the way of rates, etc., than he could do if compelled to deal through an elevator company.

There is one part of this report with which I do not agree. It is with regard to what is known as the Saskatchewan Co-operative Elevator Company. The report goes on to say, in reference to this company and the United Grain Growers Company:

The companies fix their own prices, and they form real competition to the line companies at points where they meet. The United Grain Growers have 311 country elevators in the three western provinces, the Saskatchewan Co-operative Elevator Company have 387 elevators, all in Saskatchewan. These two co-operative farmer's companies have, therefore, 640 country elevators out of a total of 3,926, approximately 16 per cent; and they operate at 640 elevator points out of 1.532; which means that they compete with the private elevator companies at 41 per cent of the country points. This is the point to which I want to draw the attention of the House:

In so far as the Saskatchewan Co-operative is concerned, we are assured by its officials that they have always shaped their policy so as to secure better treatment for the wagon load seller by forcing up the price of street grain.

Now, I have watched the operation of the Saskatchewan Co-operative Elevator Company for a great many years, and I must say here quite frankly that that statement is not correct. Let me give you a short history of that concern. Away back in the years 1911 and 1912 there was considerable agitation in the West for a better method of handling our grain. I was connected with that movement. and some of us thought that the establishment of Government-owned and operated elevators would be advantageous. However, the Government in power at that time decided otherwise, and the Saskatchewan Grain Growers Association, at its annual meeting held at that particular time, launched a scheme for doing away with practically all the grievances complained of in that province in connection with the marketing of grain. That scheme was to form what were known as locals. A certain fixed number of subscribers were required to take stock in the company, and a certain area of cultivated land was assigned to each local. The shareholders were called upon to pay for 15 per cent of the shares, and the Government advanced the remainder of the amount required to build and equip an elevator. The Saskatchewan Government backed that company to the extent of several million dollars. The object, of course, was to obtain some relief, particularly for the man who had to sell his grain by the wagon-load.

As I have said, the Saskatchewan Cooperative Elevator Company is nothing more or less than an ordinary elevator company, doing business in the same way, paying the same prices, and not a fraction of a cent more. A few years after this company started business I happened to be the secretary of an elevator company in the town in which I lived, and with it we had there two or three elevators. Seven miles distant was the local elevator of the Saskatchewan Co-operative Elevator Company. At the end of the season I had an opportunity of ascertaining the prices paid by the Saskatchewan Co-operative Elevator Company and also by the line elevators for every day from October until about the end of March. After we had carefully computed those prices we found that the Cooperative Elevator Company had paid about half a cent less during the whole season than

had been paid by the line elevators and the clevator that we were operating. This, I think, is true of every elevator operated by that Company. It has provided accommodation, if it can be called accommodation, to a comparatively small section of the country. That being so, this statement contained in the report is, to my mind, entirely unfounded and incorrect.

The great difficulty in the grain trade is the grading. Under the changes made in the Act we have No. 1 Hard, No. 1 Northern, No. 2 Northern, and No. 3 Northern. These are the statutory grades. But the people of the West are suffering principally in regard to the lower grades, for which they are not receiving proper value. I have secured from the Experimental Farm here in Ottawa the results of a test made in January of this year as to the value of the products of one bushell of wheat. According to that test, the value of the three products-flour, bran and shorts-is as follows: No. 1 Northern, \$2.69; No. 2 Northern, \$2.64; No. 3 Northern, \$2.63; No. 4 Northern, \$2.48; No. 5 Northern, \$2.42; No. 6 Northern, \$2.41. You will see from these figures that the difference in value between No. 1 and No. 6 is 28 cents.

Now let us look at the prices of wheat during October, November and December of last year. For No. 1 the average price was \$1.66. The difference between No. 1 and No. 2. and between No. 2 and No. 3, is comparatively small. So let us take No. 4. the average price of which was \$1.44. From this you will see that there is not very much difference in the value of the products of No. 1 and the products of No. 4. The average price of No. 6 was \$1.21. The figures show a difference of 45 cents between No. 1 and No. 6 in those months of October, November and December. and a difference of 17 cents a bushel in No. 6, as between the test made in January and the average price in the three months I have mentioned.

Taking the cash prices on the Winnipeg Grain Exchange for the month of May, we find that the price of No. 1 was \$1.83½; No. 3, \$1.75; No. 5, \$1.39½; and No. 6, \$1.20; or a difference of 44 cents between No. 5 and No. 1. The difference between No. 6 and No. 1 was 63 cents, whereas, the difference would have been 28 cents if the grain-grower had received his due according to the tests.

In addition to that, I have had occasion to look up some tests that were made at the State Testing Mill in Minneapolis, which show the following results: The value of products from one bushel of No. 1 Northern was \$1.60; No. 2, \$1.60. No. 3, \$1.58; yet, the spread

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here varies as much as 3 per cent, 4 per cent, and sometimes 5 per cent.

Taking the loaf volume made from the same grades of wheat, we find that the loaf from No. 1 was 1.970 cubic centimeters; that from No. 2, 2.052 cubic centimeters; and that from No. 3, 1.935 centimeters. which goes to show that the bread-making qualities of the wheat were practically equal in the three grades.

A colour test shows the following percentages. No. 1, 97.5; No. 2, 97.5; No. 3, 97.7.

Now, I want to go back a little and refer to an analysis made by the Territorial Government in 1904-5, made when Dr. Elliott was Minister of Agriculture. This shows that we are to-day labouring under the same difficulties that we were struggling against then. At that time wheat was sent to the Guelph Agricultural College to undergo the test, and the results showed the milling value of the different grades of wheat flour to be as follows: No. 1 Northern, 69.9 per cent; No. 4 Northern, 68 per cent; feed wheat—we had no No. 6 at that time—showed 66.2 per cent, or only three points lower than the No. 1.

In the Columbus Laboratories in Chicago a test made in 1904 showed the average values, 100 per cent standard flour, to be as follows: No. 1 Hard, 96.4 per cent; No. 1 Northern, 95.5 per cent; No. 2 Northern, 95.9 per cent; and No. 3 Northern, 96.7 per cent. An analysis of stock-frozen wheat was made at the same institution, which showed that 70.7 per cent of flour was obtained, which was equal to the percentage recovered from No. 1 Hard.

There is in wheat a constituent known as protein, which is claimed to be of great value, and I believe that for milling purposes it is extremely important. It is found that the different grades of wheat contain practically the same percentage of this valuable content. We find that No. 1 Northern contains 14.6 per cent of protein; No. 2, 13.31; No. 3, 13.39; No. 4, 13.79; No. 5, 13.99—almost as much as No. 1; and No. 6, 13.37. This shows very clearly that wheat for which the grain-grower of the West has been paid anywhere from 15 to 45 per cent less is practically as valuable for milling purposes as No. 1 Northern.

I have made these comparisons to show the difficulties which have confronted the grain-growers of the West during all these years. The great trouble is that they are not receiving proper value for the milling qualities of their grain. I must confess that this is a difficult matter to deal with.

The wheat-growers of the United States, of course, do not export raw wheat to any Hon. Mr. GILLIS.

extent, 85 per cent being ground at home. Our difficulty in that regard is that we have not sufficient milling facilities to ascertain the true milling value of our wheat. I understand that the Minister in charge of the matter in the other House has given us some encouragement in regard to having wheat properly tested from the milling standpoint, with a view of giving to the producer the proper value of his wheat. To-day wheat can be tested for moisture content: but. apart from that, owing to the rush in shipping the wheat and the lack of facilities offered we are unable to ascertain the real value of our grain. This is where the whole trouble exists. There should be some regard paid to the weight of the wheat. A case was brought to my personal attention last fall of a man who had brought in a load of wheat which weighed 63 pounds to the bushel. and which was graded No. 5. That is only one instance showing how we are losing heavily in the lower grades. What should be done by the Government of this country, even if it is necessary to tax the farmers in order to do it, is to provide some means for testing the wheat. The farmers of the West have lost millions of dollars because they did not get their rights in this respect. It is the duty not only of the Federal Government, but of the Provincial Governments, to do everything possible to encourage the milling industry, and thus to enable the farmers to get the real value of their grain.

Hon. Mr. WILLOUGHBY: You will remember that the Commission recommended an export duty.

Hon. Mr. GILLIS: I am just going to deal with that.

The Minister also touched upon the question of transportation and the shipment of grain, and incidentally he made reference to the Hudson Bay Railway. Of course, I understand that the mere mention of that railway to eastern members is the proverbial red rag to a well-known animal. I may tell this House, however, that the people of the West are going to have that road completed. The country has already spent some \$15,000,000 to \$20,000,000 upon it, and surely it would be the part of wisdom to complete the work. The completion of that road would be a better way of developing the resources of the West than anything else that could be undertaken. A certain amount of land was set aside for the purpose of building that road, but the trouble is that we are not able to get the Government to complete it. We have heard in this House of heavy expendi-

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tures passed for a useless elevator at Prince Rupert, for another elevator equally useless at Halifax, of \$5,000,000 for the Quebec Harbour, and of various other undertakings. But here we have a project, agreed long ago by both parties, both of whom are bound to carry it out. The completion of that work requires only \$1,500,000 or \$2,000,000, and the delays are more than I can understand, and I sincerely hope that the work will be brought to a speedy conclusion.

Now I want to deal just for a moment with the recommendation made by the Commission with regard to an export duty on wheat. The Government has failed to take action in this matter, though, situated as we are to-day, we are in a position to dictate terms to the American people. In what is known as, the hard wheat belt of the United States-the Dakotas, Minnesota and Montana-the growing of corn is taking the place of wheat-growing, and consquently the yield of wheat is diminishing from year to year. In only a comparatively short time that portion of the United States as a wheat-producing country will have disappeared from the map, and the Canadian West will practically control the supply of that kind of wheat. Ultimately, owing to the United States farmers having given up the cultivation of wheat, and owing to the spread of noxious weeds, the cultivated portions of the Prairie Provinces will have to be depended upon to produce the wheat. For a number of years past the United States has been importing our wheat to a considerable extent. Last year I think 8,000,000 or 10,000,000 bushels were imported into that country in bond, and that wheat went in practically free of duty. An export duty on wheat I think would be of great benefit in inducing the Americans to open their markets to us. During the past ten years that might not have been of very great value to us, the price of wheat being higher here than in the United States. Last year the average price in Canada was five or ten cents a bushel higher than it was on the Chicago market. Much of this cry of getting the American market for our wheat has been The raised because of a misapprehension. price of July wheat in Winnipeg to-day is 11.3 cents a bushel higher than it is on the Chicago market. I think the export duty recommended by the Commission would be of great advantage to the people of this country. Why should we allow our wheat to be sent to the United States practically free of such a duty?

I was glad to see the reference made by the Commission to the Winnipeg Grain Exchange. This institution has been looked upon as one of the most iniquitous organizations that ever existed. For everything relating to the prices of grain, and everything connected with the grain trade that was adverse to the interests of the farmers, the Grain Exchange was accused of being responsible. Now, as a matter of fact, the Winnipeg Grain Exchange is a good institution. It is absolutely necessary for us to have that Exchange in order to carry on the grain business of the West, and I am glad that the atmosphere has been cleared so that the people will understand that the many things of which the Exchange has been accused have not been taking place.

It has been proposed to send this Bill to a Special Committee; but, as the amendments are not of great consequence, I should think that in order to save time, which is somewhat limited, we might deal with it in Committee of the Whole House. If it is referred to the Committee on Agriculture, the Bill will have to be taken up clause by clause, which will involve considerable time, because there are 400 or 500 sections in it; and when it comes back to the House we shall have to deal with it in the same manner in Committee of the Whole.

Hon. Mr. DANDURAND: Before this Bill is read the second time I would like to state my opinion as to the manner in which we should deal with the Bill afterwards. Only two or three clauses will really be matters for discussion and contention. Having examined those clauses, I must confess that I am very doubtful that the merits of the questions involved can be grasped by the generality of the members of this Chamber unless the experts who are applying the Act are present to explain to us its various aspects. I dislike being the channel for conveying to the House the explanations of the experts and Commissioners, because I feel that in that case the jury, high-class as it may be, would be unable to decide on the real merits of those clauses. I would suggest that the Bill be sent to a Special Committee-the Committee on Agriculture, with the addition of the following names: Hon. Messrs. Sharpe, Gillis, Watson, Willoughby, Laird, Turriff, Right Hon. Sir George E. Foster and myself. I would be there, not to furnish light, but to receive some. By midnight we should be able to sift this matter more satisfactorily than could be done in this Chamber. However, this is a point which will have to be decided after we give the Bill the second reading.

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. DANDURAND: Honourable gentlemen, I move that this Bill be referred to the Committee on Agriculture and Forestry—

The Hon. the SPEAKER: May I interrupt the honourable gentleman? Would it not be better to appoint a Special Committe rather than alter the membership of the Committee on Agriculture?

Hon. Mr. DANDURAND: Then I will include the names of the members of that Standing Committee. I will move that this Bill be referred to a Special Committee, consisting of: Hon. Messrs. McCoig, Beique, Belcourt, Black, Boyer, Crowe, King, Ross (Middleton), Smith, Sharpe, Gillis, Watson, Willoughby, Laird, Turriff, Sir George E. Foster, Ross (Moose Jaw), and the mover.

The motion was agreed to.

HOME BANK DEPOSITORS RELIEF BILL

SENATE AMENDMENTS INSISTED UPON

The Senate proceeded to consider a Message from the House of Commons disagreeing to the amendments made in the Senate to Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada, for the following reasons:

1. Because the said Amendments, which consist in changing the title and adding a preamble as well as new clauses, are foreign to the Bill passed by the House of Commons on the 10th of June, 1925, the said preamble setting out that certain representations have been made to the Governor in Council and that the Government's moral responsibility to the Home Bank depositors is not admitted, and also defining the principle on which pecuniary aid may be afforded to a limited number of creditors—thereby giving expression to recitals on behalf of the Cabinet and the House of Commons which have not been authorized either by the Government or by the House of Commons. 2. Because Clause 2 of the Bill, which had been passed

2. Because Clause 2 of the Bill, which had been passed by the House of Commons on the recommendation of the Crown, and which provided that the amount mentioned therein be voted for the purpose of paying the Home Bank depositors such proportionate parts of their deposits as they would respectively be found ertitled to in the liquidation proceedings, has been struck out and new clauses have been substituted determining another mode of payment based upon a different principle and fixing the amount to be paid at a sum not to exceed \$3,000,000, besides changing the proportion for the distribution of these public moneys and establishing classes of persons who may be paid or denied payment, according to the provisions of the said new clauses.

3. Because clause "A" added to the Bill provides for the appointment of a Commissioner and the organization of a lengthy and costly procedure, thereby entailing a large expenditure which the Senate has no right to make a charge upon the public revenues, and which could only be authorized if it had first been recom-

Hon. Mr. DANDURAND.

mended by the Governor General and voted by the House of Commons under Sections 53 and 54 of the British North America Act.

4. Because it is provided by Clause 7 of the said Bill as passed by the House of Commons that "The Governor in Council may raise by way of loan, temporary or otherwise, upon such form of security and upon such terms and conditions as the Governor in Council may approve, such sum or sums of money as are required for the purpose of making the payment authorized by this Act, and any sum so raised shall form part of the Consolidated Revenue Fund" and the raising of any loan as a charge upon the Consolidated Revenue Fund is the undoubted and sole privilege of the Commons,—the Senate having no right to alter the same, whether by increase or reduction.

5. Because the title, principle, policy and economy of the said Bill as passed by the House of Commons have been completely altered and a new Bill has been substituted by Their Honours, and the action of the Senate in the premises is contrary to the Constitution and against the accepted principles of British Parliamentary practice.

6. Because the House of Commons, adhering to the British North America Act and the fundamental principle embodied in Rule 78, cannot renounce its inalienable right to intiate and regulate the voting of all aids and supplies granted by Parliament and it has never acknowledged the right of the Senate to make amendments to Money Bills.

Hon. Mr. DANDURAND: Honourable gentlemen, I need not recall to this Chamber the procedure which has been followed in connection with the examination of this Bill on the second reading and in Committee. I desire only to state that the Senate undoubtedly laid down a different principle from that contained in the Bill as introduced in this Chamber, when it adopted the amendments to which the House of Commons dissent, I do not desire to weigh the reasons, pro and con, but would draw the attention of honourable members of the Senate to a feature of the decision of this Chamber which should perhaps be reconsidered.

The Bill came to us with the declaration that the depositors and others creditors of the Home Bank were entitled to compensation through a moral claim in equity arising out of the situation which prevailed at the time the matter was brought to the attention of the Government, that is, during the war. The House of Commons were unanimous on that point, and the reason actuating them was probably the intention to limit to war conditions the compensation that could ever be claimed in future by the establishment of this precedent. It has been argued that the Senate, taking a different view, substituted for the principle I have just described one which is of far greater extent and import than that which was contained in the Bill It is true that this Bill creates a precedent, but one which is so exceptional that we hope it may not arise within the next hundred years -a war condition.

While the amendments of the Senate, which involved an alteration of the preamble, base the vote upon an act of compassion, I draw the attention of this Chamber to the fact that, if we reject the moral claim in equity and put our contribution on the basis of compassion due to sufferers, we open widely the door in future to all kinds of claims that may arise through a calamity that may befall a large but restricted group of the community. This is a strong argument that is made against substituting the compassionate feature for the moral claim in equity, and I bring it to the attention of this Chamber. Mainly for this reason I intend to move, and do move, seconded by Hon. Mr. Watson:

That the Senate, while reaffirming its right to amend money Bills, as defined in and by the unanimous resolution of the Senate of May, 1918, declares that it doth not insist upon its amendments.

Now, by the right of the Senate I intend to stand. It has been challenged, and it is challenged by the resolution which comes to us from the House of Commons. When I had the honour three years ago of rising for the first time from this seat in this Chamber, I declared that I accepted the principle contained in this resolution, and that during my occupancy of the office which I hold I would not abridge that resolution by any act of mine.

We are now facing the challenge of the House of Commons as to the right of the Senate to amend a money Bill, and I believe that the message which is before us refers to a resolution of the House of Commons defining what it believes to be its jurisdiction. In answer to that definition by the Commons of their right fully to control money Bills, I cite the unanimous resolution of the Senate defining what it believes to be its rights. With this reservation as to the message which we received, I move as I have read.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, as this Chamber well knows, when this Bill was first introduced by my honourable friend on behalf of the Government, I supported the Bill as presented, and it received a fair measure of support upon this side of the House. It became evident during the discussion that it was very doubtful if the Bill as presented by the Government would pass the House. Of course, this presented to our minds a very serious problem. There was a degree of sympathy felt on behalf of the unfortunate depositors who suffered so largely through the failure of the Home Bank, and finally my honourable friend, as a solution of the difficulty, and I presume with the view of something being done on behalf of the deposi-

tors, suggested that the entire subject should be referred to the Committee of the Whole, without our committing ourselves to the principle of the Bill, and that we should hear the liquidator upon the subject, on account of his wider knowledge upon the matter than any of us in this Chamber possessed. The result was the Bill which was sent by this Chamber to the House of Commons.

Now, the main difficulty which seems to have been elaborated upon in the reasons submitted by the House of Commons to the Senate is the fact that we have superceded the principle of moral responsibility, which the Government wants to assume, by making provision for a compassionate allowance. Let us for a moment analyze the question whether the government assumed for one moment a moral responsibility in this Bill. I say positively that they have not. Under what principle did they fix 35 per cent, if there was a moral responsibility? If there be a moral responsibility for the payment of a debt or obligation, is it at all logical that the person assuming that obligation should scale it down to a certain percentage? It is quite manifest that the Government did not recognize it as a moral responsibility, but regarded it as a compassionate matter, and therefore scaled it down to 35 per cent. Is that not as obvious as the sun that shines at noonday?

If there was a legal liability, that legal liability was for 100 per cent. If there was a moral responsibility, that moral responsibility was for 100 per cent. Where is the distinction between the one and the other? What is the process of reasoning by which we can discriminate between the two, and scale the grant down to 35 per cent from 100 per cent? Why, honourable gentlemen, it is simply an evasion, simply an equivocation, simply a play with words, merely finding a pretext for the purpose of supporting the position which they have taken.

The reasons submitted to the Senatc deal, with apparent sincerity, with the question as to our having departed from the principle of the Bill. But what is the principle of the Bill? The fundamental principle of the Bill is that relief be given to the depositors of the Home Bank. Is not that the main object of the Bill? Is there any principle that stands out more prominently or more dominantly than that the Government of Canada should afford relief to the depositors of the Home Bank? Why, honourable gentlemen, this was the fundamental principle, the basis of the Bill, and none other; so that it is only resorting to what I might call constitutional refinement to advance reasons such as those embodied in these reasons in which the Commons charge the Senate with departing from the principle of the Bill.

As to the war, it had not much to do with the matter. It certainly had nothing to do with the Bill. True, this failure took place during the war, but it would have taken place whether there was a war or not. The war was not the cause of the failure of the Home Bank. The war is not the cause of the Government coming to the relief of the depositors of the Home Bank. This is simply a subterfuge to find some ground of difference against the position taken by the Senate.

I need not discuss the question of this being a money Bill. My honourable friend and myself, and in fact both sides of the House, agree upon the right of the Senate to deal with a money Bill, and to reduce the amount.

It seems to me that this was a compromise measure. It was said, and freely said in many circles, that the object of the Government in bringing in this Bill was that it should be defeated in the Senate. I do not charge the Government with any such intention, or with having any such motive.

Hon. Mr. D'ANDURAND: Hear, hear.

Hon. Sir JAMES LOUGHEED: But if the Government is not prepared to accept a Bill of this kind, knowing the very strong position we have taken in reducing the amount to that provided for in our Bill, then the rejection of our amendments may lend color in certain circles to the suggestion that there was a desire that the Bill should fall to the ground-that it should not pass Parliament.

It seems to me, honourable gentlemen, that under the circumstances, with the division of opinion that prevailed in the Senate, there was no other solution to the problem which confronted us-a difficult problem it wasthan that embodied in the Bill. The lines seemed to be very strictly drawn between those east of Ontario and those in and west of Ontario, and I must say it gave me considerable thought as to whether it was possible to pass the Bill as it came from the Commons. I for one concluded-and 1 think many of my colleagues who viewed the matter in the same light as myself concluded-that the only hope of bringing relief to the depositors of the Home Bank was through a compromise measure such as we have passed. I hope, therefore, that the Senate will insist on the amendments it has made.

Hon. Mr. DANDURAND: Honcurable gentlemen, I have not had time to look at the rules, but there are many rules relating

Hon. Sir JAMES LOUGHEED.

to this matter of messages coming from the other House. Of course, if my motion carries, that is the end of it; but if it is defeated, then some other motion will have to be made to the effect that the Senate does insist. Can we proceed by an amendment affirming the converse proposition?

Hon. Sir JAMES LOUGHEED: Your motion is that the Senate doth not insist; if that is voted down-

Hon. Mr. DANDURAND: Then a motion must be made that the Senate insists.

Hon. Mr. BELCOURT: I should like to refer briefly to my honourable friend's (Hon. Sir James Lougheed) argument.

Right Hon. Sir GEORGE E. FOSTER: It is nearly one o'clock. I think we should either take the vote now, or leave this matter over until another sitting. This message has been read to us but none of us have digested it; yet we are asked to vote when we are not in a position to do so.

On motion of Hon. Mr. Belcourt, the debate was adjourned until the next sitting of the House.

The Senate adjourned until 3 p.m. this day.

Second Sitting

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

Routine proceedings.

SUNNYBRAE-GUYSBOROUGH BRANCH LINE BILL

CORRECTION OF NEWSPAPER REPORT

On the Orders of the Day:

Hon. C. W. ROBINSON: Honourable gentlemen, if I may be permitted, I would like to rise to a question of privilege, to correct a reporter's mistake. That admirable newspaper, the Montreal Gazette, this morning in reporting the proceedings on the Sunnybrae-Guysborough Branch Line Bill in the Committee states that "a motion by Senator Robinson, that the Bill be not further proceeded with, was adopted".

Coming, as I do, from the Maritime Provinces. I would not like to be held responsible for moving that the Sunnybrae Branch Line Bill be not adopted. I was in favour of the Bill. It may be possible that another gentleman with a similar name was responsible for the motion.

Hon. Mr. DANDURAND: I think that very heavy responsibility falls on the shoulders of the honourable gentleman from Welland (Hon. Mr. Robertson).

HOME BANK DEPOSITORS RELIEF BILL

SENATE AMENDMENTS INSISTED UPON

The Senate resumed from this morning the adjourned debate on the motion of Hon. Mr. Dandurand declaring that the Senate doth not insist upon its amendements to Bill 182, an Act for the relief of the depositors of the Home Bank of Canada.

Hon. Mr. BELCOURT: Honourable gentlemen, I intend to support the motion, and I desire but a very few moments to say why. The first reason that I have to offer is that it is absolutely consistent with the attitude I took on the second reading of this Bill. My position at that time considerably riled some of my honourable friends opposite, but I want permission to repeat the offence to-day. The attitude I took was that this compensation to the depositors of the Home Bank could not be justified unless Parliament dealt with it on grounds of equity. I took up the situation as disclosed by the evidence taken before Commissioner McKeown and before the Committee, in order to support the view that the claim was to all intents and purposes an equitable claim which justified the paying out of compensation to those who had suffered.

Let me repeat what the situation was. The situation disclosed by the evidence was that Mr. Lash and Mr. Crerar, to a certain degree, and Mr. Fisher and others, put the whole financial situation of the bank as it then was before the then Minister of Finance. I think there is only one conclusion to be drawn from the evidence, and that is that the Minister of Finance was fully apprised of the exact financial situation of the Bank at that moment.

The Hon. the SPEAKER: I do not wish to interrupt the honourable gentleman, but I think he is entirely out of order in this discussion. We are discussing the reasons of the House of Commons for disagreeing with the Senate amendments. The honourable gentleman is discussing practically the principle of the Bill.

Hon. Mr. BELCOURT: That is all involved in the Message from the Commons. It is stated in so many words. Let me read parts of the Message:

Because the said Amendments, which consist in changing the title and adding a preamble as well as new clauses, are foreign to the Bill passed by the House of Commons on the 10th of June, 1925, the said preamble setting out that certain representations have been made to the Governor in Council and that the Government's moral responsibility to the Home Bank depositors is not admitted, and also defining the principle on which pecuniary aid may be afforded to a limited number of creditors-thereby giving expression to recitals on behalf of the Cabinet and the House of Commons which have not been authorized either by the Government or by the House of Commons. I do not think I need read any further. I am discussing the Message.

Hon. Mr. McMEANS: But the honourable gentleman has already made the same speech on the second reading of the Bill.

Hon. Mr. BELCOURT: I do not suppose I am the first one who has repeated myself in this House.

Hon. Mr. McMEANS: What is the use of going over it again?

Hon. Mr. BELCOURT: I am simply stating the situation as I understand it, and the reasons why I am going to support the motion made by the Leader of the Government.

Hon. Mr. McMEANS: Does the honourable gentleman bow to the ruling of the Chair?

Hon. Mr. BELCOURT: I think the Chair accepted my explanation. Am I in order, Mr. Speaker?

The Hon. the SPEAKER: Yes.

Hon. Mr. BELCOURT: The Minister of Finance and the Government of that time, knowing the situation, decided not to intervene in the matter of the Home Bank. They decided not only that, but that no bank would be put into liquidation at that time. The reason given was one with which I have no quarrel, and for which I do not blame either Sir Thomas White or the Government of the day. The reason given was that the national interest was supreme over the interest of the Home Bank and all the other banks in Canada, because the failure of one or more of these banks would have seriously interfered with the national credit and crippled the Minister in providing the sinews of war.

I say that under those circumstances there was an equitable claim, and I am supporting the motion because I think that is the ground upon which the House of Commons provided this compensation. It is not an act of charity; it is not even a compassionate act. The ground on which the House of Commons acted, as repeated in their Message, is the ground of an equitable claim. For my part I opposed before, and I oppose now, any claim on the ground of compassion.

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

Hon. Mr. BELCOURT: Yes.

Hon. Mr. LAIRD: Is he aware that the Minister of Finance, on the floor of the House of Commons, definitely refused to state that there was any moral claim?

Hon. Mr. BELCOURT: I do not know. I did not see that statement.

Hon. Mr. LAIRD: The statement is in Hansard, and the honourable gentleman can read it.

Hon. Mr. BELCOURT: I have not come across it. The ground upon which the Commons supported this Bill was the equitable claim. I do not think there will be any contention about that.

Hon. Mr. LAIRD: It was not the ground upon which the Minister of Finance supported it, because he refused to say there was a moral claim.

Hon. Mr. BELCOURT: I do not assert that he said it or did not say it. I never made that statement.

Hon. Mr. POPE: In answer to the honourable leader of the Opposition in the House of Commons he refused to say so.

Hon. Mr. BELCOURT: That may be. I do not know whether he did or did not.

Hon. Mr. POPE: I did not say the honourable gentleman cared for anything.

Hon. Mr. BELCOURT: It does not matter. It is absolutely immaterial what he said in regard to that.

Hon. Mr. POPE: No, no.

Hon. Mr. BELCOURT: All right. That is my honourable friend's view. He may have it.

Hon. Mr. McMEANS: I do not like to interrupt the honourable gentleman-

Hon. Mr. BELCOURT: It looks like that.

Hon. Mr. McMEANS: But in order to make the situation clear, so that I may understand the process of his reasoning, will he define what is an equitable claim? Is it a claim that could be enforced in a court of equity under the old procedure, or what sort of claim is an equitable claim?

Hon. Mr. BELCOURT: The other day I took particular pains to say that I did not think this was a claim enforcible in the Exchequer Court, because there was no provision in the Exchequer Court Act which would render the Crown liable in a case of this kind.

Hon. Mr. McMEANS: That is, a legal claim?

Hon. Mr. BELCOURT: There is such a thing as a legal claim, and there is such a thing as an equitable claim and such a thing as a moral claim.

Hon. Mr. McMEANS: Tell us what an equitable claim is.

Hon. Mr. BELCOURT.

Hon. Mr. BELCOURT: I am trying to tell you. I have been trying for ten minutes, but you will not let me do so. The equitable claim in this case is that the Minister of Finance, thinking, and possibly rightly, that, the interest of the country being paramount, it was better to let this Bank get into deeper water rather than have it go into liquidation. That entailed the implicit obligation to compensate these people. In other words, the Home Bank depositors were told: "It is true that you are going to suffer additional loss by not having liquidation of the Bank now, because the loss will be greater in a year or two than it is to-day; but the national interest demands that you should not insist upon the liquidation now, and for my part I am not prepared to give it to you." That is unquestionably the evidence. I do not say that Sir Thomas White was wrong; I do not say that he was right. I do not guarrel with him. I do not question his motive. He may have been absolutely right in putting above the interest of the depositors of the Home Bank the interest of the State. I do not dispute that, but I do say that that is the situation created by what occurred, and to my conscience and my legal mind there is a clear implication that these people, being put to a greater loss by reason of what happened at that time, would be entitled to come to the Government and on equitable grounds ask for compensation. That is why I say there is an equitable claim. I may be wrong, but I hope I have conveyed clearly what is in my mind, anyway.

Now, if we had followed the principle which guided the House of Commons, we would not have established any precedent at all. The precedent is in this instance, I take it, the most serious consideration with regard to this Bill. A case like this will hardly arise again. It is almost impossible for another such case to occur, but if it did arise under similar circumstances, there would be another equitable claim which ought to be seriously considered by the Government.

What has the Senate done? We have said: "There is no moral claim, there is no equitable claim, and there can certainly be no legal claim, but we are going to allow compensation to these people on compassionate grounds." I say the Parliament of Canada cannot be moved by compassionate considerations. The Parliament of Canada has no power nor authority to deal with this or any other matter on purely compassionate grounds. We are trustees of the people's money and we have no right to appropriate it except for purposes in respect to which power has been delegated to us.

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Hon. Mr. LAIRD: What about the Halifax grant, at the time of the explosion? That case was dealt with on compassionate grounds.

Hon. W. B. ROSS: Did we not vote \$100,000 to San Francisco?

Hon. Sir EDWARD KEMP: What about the Japanese earthquake? And the Ottawa and Hull fire?

Hon. Sir JAMES LOUGHEED: Parliament can do anything.

Hon. Mr. BELCOURT: I am not one of those who subscribe to the doctrine that Parliament or the Legislatures can do anything.

Hon. Sir JAMES LOUGHEED: They do.

Hon. Mr. BELCOURT: There are laws other than those which we make. There is the Divine law, which we all adopt, and there is the natural law, which has and ought to have a good deal of effect on legislation—a great deal more than most people admit. The Government or Parliament with unlimited power does not exist on this earth. There is a limit to legislative authority.

Now, let me proceed. I say that by putting this Bill on compassionate grounds you are opening the door wide to anybody who may ever suffer in the future. Banks, railway companies, all quasi-public institutions, will have a right to come to this Parliament and on compassionate grounds ask for compensation.

Mr. honourable friend who leads the Opposition (Hon. Sir James Lougheed) said: "This is inconsistent: if there is an equitable claim, it should be for 100 per cent of the loss."

Hon. Sir JAMES LOUGHEED: No; I said moral claim.

Hon. Mr. BELCOURT: Or moral claim. I do not care which you call it, whether equitable or moral. My honourable friend claims that because only 35 per cent of the actual loss is being paid, this makes the whole thing illogical. I say no. It must be admitted that the Home Bank in 1916 was in a hopeless condition. It being in that condition, there was unquestionably a loss for which the Government at that time was in no way responsible. But, because of the fact that liquidation did not take place at that time, the loss became greater. The only equitable ground upon which the depositors may base their application to the Government is that subsequently to 1916, by reason of there being no liquidation at that time, they were put to greater loss. The amount of the increase in the loss is the only part for which

there may be and is an equitable claim. The difference between the loss in 1916 and the greater loss in I think 1921, at the time the Bank closed, it is impossible to ascertain. The parties and the Government got together. Those who represented the depositors agreed that 35 per cent would probably represent the actual loss which can be traced to the non-intervention of the Government in 1916, and 35 per cent was agreed upon. In what way is that illogical or inconsequential? I submit that the compensation must necessarily be limited to the extent of loss caused by the refusal of the Government to allow liquidation.

My honourable friend said also that the war was not the cause of the failure of the Bank. I do not think anybody said that it was. I certainly did not say so, and I do not It is quite evident that it was not the now. war that caused the failure of the Bank. But it was because of the war that this Bank was not liquidated when it ought to have been. Again, I have no fault to find with the The resultant additional loss was decision. considered necessary in the national interest by those who had the responsibility at the time. I do not guarrel with that, but I do say that it was because in the opinion of the Government of that day it was the paramount interest of Canada that no bank should fail. It is because of the war, in that sense, and in that sense only, that a claim can now be put forward on equitable ground.

It seems to me that the position taken by the House of Commons in the Message which they have sent to us is absolutely correct in logic and as a matter of legal construction or interpretation. I think this House by approving of the voting of money on principles other than those which moved the House of Commons, committed an error. I think we should have supported the Bill only on the ground that there was an equitable claim. The fact that we put the vote on compassionate ground justifies the action taken subsequently by the House of Commons.

Hon. Mr. REID: Does the honourable gentleman agree with that part of the resolution which states that the Senate has no right to interfere with Money Bills? I understood that he agreed in 1918 that the Senate had a right to interfere.

Hon. Mr. BELCOURT: I voted for the resolution, which was, I think, unanimously adopted at the time, and I have no reason to change my mind. My opinion has not changed. But I am not discussing the question from that point of view. I do not think the point is now in question. I agree with my honourable leader (Hon. Mr. Dandurand) in reaffirming the principle contained in the resolution, but that does not affect the other reasons assigned in the Message.

Hon. C. P. BEAUBIEN: . Honourable gentlemen, I would like briefly to state why I cannot agree with the honourable the senior member for Ottawa (Hon. Mr. Belcourt). I think I may say without exaggeration that no piece of legislation coming from any legislature has been received with more widespread favour throughout the land than the Bill as redrafted here for the purpose of giving compassionate relief to the depositors of the Home Bank. I think it is not going beyond the truth to say that two-thirds of the press of the country, if not more, approve heartily of the stand taken by this House and the manner in which the relief measure has been worked out as a result of our deliberations. That is so far as the public in general are concerned.

As to the interested parties, the depositors themselves, 47,000 of them out of the 53,000, if I am not mistaken, were to get, by the modified measure, exactly what they would have obtained under the original Bill. They were in exactly the same position as before. That is the first point.

As to the second point-and remember, honourable gentlemen, it is only with regard to this second point that there is a divergence of opinion between the two Houses-on the 6,000 remaining depositors this House imposed a new condition, namely, that they should prove their need in applying to Canada for The principle adopted in another relief. place was that, need or no need, the money should be paid, not in full, but to the extent of 35 per cent. In other words, this House stands for the protection of those who are in need, whereas the other House stands in the extraordinary position of defending those who are not in need. The position in this respect is, it seems to me, as clear as it could possibly be.

Now, honourable gentlemen, we have to choose between two principles in dealing with trust funds. We are dealing with the funds of the people. For my part, I much prefer the principle adopted by the Senate, that of giving only to people who are in need.

One thing has struck me very forcibly: it is the role played by the Government in all this. Before this Bill was drafted in the other House the Government could have chosen two ways of dealing with the matter. It chose one: it wanted this House to be unfettered. The Prime Minister said that this measure must run the gauntlet of this higher tribunal. If I may be allowed, so Hon. Mr. BELCOURT. that I may not misrepresent the thoughts of the Government—

Hon. Mr. DANDURAND: The honourable gentleman cannot go further than make his affirmation, because it has been laid down that a member of one House cannot make a citation from a speech of a member of the other House during the same Session.

Hon. Mr. BEAUBIEN: I think the honourable the leader of this House is right. I recognize not only his efficiency in regard to the rules of the House, but his prudence in now closing my mouth and preventing the words before me from being uttered. Suffice it to say that the Prime Minister thought that he was making his position very much stronger before the country by sending the measure here in such form that the Senate could deal with it as it saw fit.

Hon. Mr. GILLIS: Quote the Hansard page.

Hon. Mr. BEAUBIEN: I can quote the page in Hansard as being 4139, and any member who wants to be edified as to the conduct of the Government can refer to that page.

Now it has come to pass that this measure, sent to us in such a way that we could freely deal with it, after having been improved by us to the extent that it now receives the unanimous approval of the people of the land, meets with a rebuff from the Government in no uncertain tone.

Hon, Mr. DANDURAND: And the House of Commons.

Hon. Mr. BEAUBIEN: Yes, the House of Commons. I believe I am prevented from criticizing anything that happened in another place, but I reserve my own judgment as to that conduct. What was done, honourable gentlemen? The Bill has been returned, and attached to it is a message asking us to forget completely the Home Bank Bill, and to enter the arena and fight the old battle waged for all time, between the prerogatives of the popular House on the one side and those of this House on the other. From the first paragraph to the last, the message repeats, in different ways: "The Senate has gone beyond its jurisdiction."

Of course, the honourable gentleman who leads this House so cleverly saw the danger of having one House pitted against the other on the principle unanimously affirmed by this House in May, 1918; and, with a skill that I admire, he comes to us and says: "Gentlemen, let us accept this message, but state that we do not agree with the principle therein contained." Therefore we are invited by the honourable leader of the House to repel the attack on the principle involving our jurisdiction. Every one of us is satisfied that the Senate has been acting within the ambit of its attributions.

Hon. Mr. POIRIER: Not all.

Hon. Mr. BEAUBIEN: Well, let us say the enormous majority of the Senate.

Hon. Mr. POIRIER: That is right.

Hon. Mr. BEAUBIEN: Well, if that is the case, what remains in the resolution? Nothing at all. Let honourable gentlemen take it paragraph by paragraph, and if at the end of each paragraph they say, "The Senate acted within its jurisdiction," that paragraph must go by the board. Finally nothing is left at all of this document; and yet it is that "nothingness" that we are now asked to accept. I say that we cannot accept this message without actually abandoning the position we took as to the prerogatives of the Senate. Every word of it is a condemnation of our conduct, and therefore every word of it must be repelled.

But there is something more. If we accept the message besides limiting our jurisdiction, we are in addition going to create a very dangerous precedent, notwithstanding the reservation that the honourable leader of the House skilfully proposes to interject therein.

Now, following the remarks of the honourable senior member for Ottawa (Hon. Mr. Belcourt) on that point, the whole theory built up by the Government as a base for the original Bill is that Sir Thomas White voluntarily did something, or omitted something resulting in the sacrifice of the depositors of the Bank, but which was intended to and did preserve the credit of the country. If that be true, there is ground for the moral obligation alleged; but if that is not true, there is no such ground at all. In the present instance the deduction from the evidence is somewhat as follows: if Sir Thomas had made an outside investigation of the affairs of the Bank it would have caused a run on the Bank, and endangered the credit of the country. That was the only avenue open to him to preserve the rights of the depositors. But that door he refused to open, for fear that panic would come in through it and endanger the credit of the country. I say there is nothing in the record to establish such a contention.

Honourable gentlemen know how many banks have been absorbed by other banks, to the utter amazement even of the people who were interested in those banks as shareholders. You take up your paper some day and find that a large bank has absorbed a smaller one; but do you imagine such absorption has been carried out in a night? Not at all. The officers of the larger bank have had their employees in the smaller bank for months; the Bankers' Association has very often had its representative for weeks and weeks examining the books of the smaller bank.

Was that process closed to Sir Thomas White? Not at all. Therefore, if my honourable friends opposite are right, Sir Thomas voluntarily repudiated such easy means so ready at his hand, by which an investigation could have been made by himself or his officers or by the Bankers' Association and their officers, and which would have resulted in protecting all the depositors. Must we come to that conclusion? Is there anything in the record to demonstrate that? Not one tittle of truth. What there is in the record is plain: that gentleman had a discretion and he honestly and blamelessly exercised that discretion as far as he could at the time, with foresight, experience, and undoubtedly with integrity.

Are we going to affirm now that, if similar circumstances arise in future, the people of Canada are to be held liable, and that they will have 'to pay? If you lay down that principle, you leave it to be applied to every case where discretion is lawfully and blame-lessly exercised. Sir Thomas had some discretion, and the only thing he could do was to use it honestly and with the light that God had given him. If by so doing he has bound the people of Canada, then in like manner they can be bound by the decision, honest but faulty, of any tribunal in the land. When that judgment will finally be set right by our Courts of last resort, then the litigants under that principle may say: "His discretion was used honestly, but not wisely, and I have suffered damages, as the depositors of the Home Bank did-because Sir Thomas White exercised honestly but unwisely the discretion that the law gave him." There is no dis-tinction between the two. If all the judges in the land can bind us by the exercise of their discretion, and if all the officers and representatives of Canada, acting within the bounds of the discretion which the law gives them, can bind the people of Canada, then, instead of facing a calamity which now and then may visit the land, we will have to face thousands of cases of responsibility which would be' in constant creation against the people of Canada day and night.

I say we cannot accept this resolution, for two reasons: first, because if we accept it we admit that we have gone beyond our jurisdiction; secondly, if we consent that the Bill be passed as it first came before us, we cannot but subscribe to the dangerous principle that the people of Canada, can be held responsible for damages flowing from the blameless exercise by any one in authority of discretionary powers created by law.

Hon. Mr. WILLOUGHBY: My distinguished friend the senior member for Ottawa (Hon. Mr. Belcourt) reinforced today the argument he had made before, which astonished me because of his distinction at the Bar. In speaking before, at page 585 of the Debates, he used this language:

But I repeat that if it were a matter between subject and subject, there is absolutely no doubt that there would be a good, substantial claim in the courts on the part of the losers.

He argued that, whereby in a claim against the Government, no action can be brought except with its permission, a claimant in other cases can take action in the civil courts. As a lawyer, I do not think so.

Hon. Mr. BELCOURT: Yes, on the ground of estoppel. I stick to my proposition.

Hon. Mr. WILLOUGHBY: I assume my honourable friend does, because he has used the same language in another argument today. A claim between private litigants that could be brought on the ground of estoppel, which is simply one of the phases of equity jurisdiction, would be a claim that could be brought of right, not of grace. A claim of estoppel, if put on the grounds of equity, an equity estoppel, is an absolute right that you can raise in a court on the adjudication, and sustain your right.

Hon. Mr. BELCOURT: It is a very close point. Subjects are able to exercise, as against subjects, claims based on estoppel on equitable grounds, where a subject could not urge the same ground as against the Crown. For instance, take a case of tort, a case of damages caused by a state railway through negligence, etc.: it has only been quite lately that a subject could claim against the Crown for that. I remember cases against the Intercolonial Railway, under which the Crown was not liable, though a subject would have been liable under exactly the same conditions.

Hon. Mr. WILLOUGHBY: But that is not the law at the present time.

Hon. Mr. BELCOURT: It is the law in regard to many things for which a remedy has not been created.

Hon. Mr. WILLOUGHBY: There is only one logical application of the honourable gentleman's argument. First, he says that Hon. Mr. BEAUBIEN. the claim could not be maintained against the Government. I suppose he means without a fiat.

Hon. Mr. BELCOURT: No, I mean that there would be no legal ground. A remedy against the Crown would have to be created under conditions of that sort before a claim could be brought against the Crown.

Hon. Mr. WILLOUGHBY: I submit, again, that under recent decisions, if a depositor could have gone into a civil court and recovered against the Home Baark in consequence of misconduct or anything else in the administration of its affairs, on a legal or an equitable claim, he could have gone into the courts against the Government by fiat and if so, there is no object in putting it on any other ground than that of grace.

Hon. Mr. BELCOURT: There is to-day no legal remedy afforded the subject on which he could apply for a fiat in this case. If he did apply for a fiat by petition of right, he would be told that there was no remedy, and that he could not recover against the Crown. That does not apply only to this case; I could cite to my honourable friend dozens of cases where no remedy exists against the Crown, though there is a remedy as between subject and subject. The principle or doctrine which underlies the rule is that the king could do no wrong, and this applies not to Great Britain only, but to the republic to the south of us, for instance. The state can do no wrong; hence no action would lie against the state for a wrong unless the state chose to create the remedy.

Hon. Mr. WILLOUGHBY: That is, tort?

Hon. Mr. BELCOURT: Yes. I say there is no legal way by which these depositors could press a claim against the state on legal grounds.

Hon. Mr. DANDURAND: Before the right honourable gentleman (Right Hon. Sir George E. Foster) takes the floor, I would like to draw his attention to a special feature of our amendments which may cause considerable distress on the part of some of the depositors. It is in clause a of the first section:

The persons entitled to payment of aid under this $A_{\rm ct}$ shall be such of the creditors referred to in sections 2 and 3 of this Act as are found by the Commissioner hereinafter appointed to be in special need by reason of the suspension of the Bank.

That seems not to cover many cases of people who have accumulated some savings in the Bank—people who are not in absolute need at present, but who know that they will need that money in future. If this feature of the Bill becomes law, perhaps a considerable number of deserving cases will be barred. I mention this because I am just in receipt of a letter from Coal Creek, British Columbia, which is as follows:

Sir:

I am enclosing the report of the Senate on the Home Bank Bill which appeared in the Calgary Herald. But surely there must be some mistake. I am a depositor, and have, with my children's account, \$3,250. My husband has always been a hard-working, careful man. I have made over clothes for my children, practiced every economy in order to save to educate my family and have something to live on in case of sickness; and the way the Bill reads, we would get nothing after all our sacrifice and hardships. Now, would that be fair? If the Government had closed the bank in 1916 or 1918 I wouldn't have had a cent in it, as I had some small amounts that I had transferred to the Home Bank.

Hoping that you will use this as an open letter to the Senate, as an appeal to them for justice,

Mrs. Mary Forsythe.

I mention this case to indicate that if a rule is made that absolute or actual need must be shown, a great number of deserving people, such as this woman, will be debarred.

Hon. Mr. TURRIFF: Honourable gentleman, when this Bill was brought into the Senate I stated that I was in favour of paying something to the depositors. As the debate went on and I heard some of the arguments advanced by my honourable friends opposite, the proposition adopted by this House, by which the small depositors would be helpedand those were the ones I was thinking ofappealed to me more than the original Bill. I am very anxious that the small depositors who have been led to believe that they are going to get something now, when they need it, should not be disappointed. I fear, however, from the way things are going, that we may get into some sort of a political, or more likely a constitutional, fight, and that it may not be possible this session to grant to those small depositors what it was proposed to give them.

I think the Government could accomplish its object and at the same time help out the small depositors. Let the Government accept the Bill as it is now, and pay the 35 per cent to all depositors of less than \$500, and then proceed to deal with the others before a Commissioner. If the Government is not then satisfied that Canada has done enough for the losers, let it bring in another Bill next year. Nobody would suffer very much by such action. It seems to me that it would be better to do that than to enter into a constitutional fight between the House of Commons and the Senate.

If that suggestion cannot be followed, I would ask my fellow members of Parliament,

in the Senate and in the House of Commons, to be as moderate as possible, and to try to meet on some common ground in order to help the small depositors and not shut them out. To my mind it would be little short of a crime to fail at this time to give aid to the depositors, when we all want to assist. I hope that nothing will happen to prevent us doing something for those who no doubt are greatly in need of the money. If the Government does not see its way clear to do that, let it put an item in the Estimates, and then this House cannot stop it. If something of that kind is not done, it will look very much to me as though the Government were trying to make use of this question to get votes at the next election. We do not want that. This is too sacred a matter to be treated in that way. I have myself faced a good many elections, and, knowing that we are all very human, I can understand the temptation. But I would not like to see this question of helping out hundreds of poor people made use of to gain a few votes, because it would be done at the expense of people who have lost practically their all in the failure of the Home Bank.

Hon. Mr. POIRIER: Honourable gentlemen, I think I should state the reasons which justify the vote that I am about to give. I agree in principle with the amendments that the Senate has passed. Those amendments are very judicious, and I believe that the country at large approves of them; but I believe also that we had no right to make them. I believe that what we have done is to amend a Money Bill, and to amend it as much as it can be amended. The Bill has been altered in many ways, and in my belief we have no right to amend it in any way.

I do not intend to discuss the reasons why I hold the opinion that we have gone beyond our jurisdiction in this matter. The question of our powers in that regard was sifted most thoroughly in this House some 15 years ago. I will not repeat any of the arguments that were presented then; but will resume my seat after saying that I am sorry I cannot follow honourable gentlemen on this side of the House in this matter, and that, although we have done a meritorious action, I do not think we had the right or the power to do it.

Hon. Mr. ROBERTSON: Honourable gentlemen, inasmuch as this question has become somewhat involved, due to the motion now before the House, as an ardent supporter of the original Bill I feel disposed to say a word in order that I may not be misunderstood. My honourable friend the Leader of the Government brought into this House a Bill the purport of which and the title of which would indicate that it was intended, as it was announced to be, for the relief of the Home Bank depositors. This House to some extent modified that Bill; but surely the Bill that went back to the House of Commons was designed to bring relief to Home Bank depositors, and in that sense the principle was in no way changed.

As my honourable friend the Leader on this side of the House said this morning, if it were a matter of right and not a matter of relief, there would be no question of 35 per cent or 100 per cent. If it were a matter of right, it would certainly fall in the latter class.

My honourable friend the Leader of the Government now comes back to us with a Message from the other House, and proposes the adoption of the suggestion contained in that Message, and moves that this House do not insist upon the decision it arrived at the other day. I was one of those who at first was opposed to the decision reached the other day, but finally I accepted that decision, honestly believing it to be the best that could be obtained in the way of bringing relief to Home Bank depositors; and because I still believe it to be the best that can be obtained, I intend to oppose the motion of my honourable friend. I believe the adoption of that motion would only further complicate the situation.

It has been stated that this House has no right to amend a Money Bill, and that right is questioned under several heads in the Message received from the Commons. May I call the attention of the House to the fact that only yesterday my honourable friend the Leader of the Government in this House made a proposal before a Committee of this House to reduce the amount named in the Sunnybrae-Guysborough Railway Bill from \$3,350,000 to \$2,225,000; and when that proposal did not carry, he made a further suggestion. I mention that simply to draw his attention to the fact that not so very long ago he was of the opinion that it was proper for this House to amend a Money Bill. I understand him to say today that he still holds the same view. In that view I agree with him; but I cannot agree that it would be in keeping with the proper dignity of this House to accept the motion at present before the House, which, in effect, would be an acknowledgment of the principle that this House had exceeded its constitutional rights.

Hon. Mr. ROBERTSON.

Hon. Mr. DANDURAND: Although I disclaim it.

Hon. Mr. ROBERTSON: That element has been injected into the situation by the Government very possibly with a view of so involving the whole matter that the Bill itself may fail, and that the Senate may be held responsible for its failure. Therefore, I propose, so far as I am able, to make the issue clear and well-defined, so that there may be no misunderstanding. The Government might in the first place have included the amount that it proposed to grant for relief in the Estimates, and it would have been passed without a word. However, it did not pursue that course, but brought down a Bill. This House in its wisdom decided that a certain amount of assistance should be granted to those who seemed to be most in need, and, as we differed in opinion, and as it seemed clear that the Bill as brought down could not prevail, a compromise was made, which I believe to be the best that could be obtained under the circumstances. under the circumstances. I now propose to stand by that compromise, still believing it to be the best that can ultimately be obtained for the Home Bank depositors, much as I would like to see them get all that was provided for in the original Bill.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I do not propose to traverse the ground that was so well explored in the preceding debate. There are just one or two things that I wish to say. I met a man who was very strongly in favour of having the Home Bank claims fulfilled to the letter. His argument was this: "Did not the Finance Minister, Sir Thomas White, at that time say again and again, and did he not repeat in his evidence, that under all the circumstances he felt it was his duty as Finance Minister to stand behind the banks and not allow a financial crash while the war was on?" I said, "Yes, you are perfectly right in that." "Very well, then," this man said, "where is your argument against coming to the relief of people who suffered losses through the Bank?" That, I think, illustrates a confusion of ideas that we might easily lapse into. When Sir Thomas White or any other Finance Minister says under circumstances of special stress, "I am not going to let the financial fabric go to pieces, I am going to stand behind the banks," he makes no pledge that he will make good all the losses that accrue to the people in the country because of their transactions with the banks.

I think there is a very palpable distinction which has been lost sight of in a great many cases. There is a silver, or golden, or steel thread that runs through all the operations of Governments. They do the best they can to establish foundations of security; they do it by means of legislation, judges and law courts; they do it by means of police and standing armies and militia. The Government of a country passes all these measures and puts in motion all this machinery in order that peace and order may be maintained, so that when I am walking along the streets of my city I shall not be set upon and maltreated, and so that I shall not have my home entered and my goods taken from me. But that is all that a. Government can properly do, unless you adopt ultra socialism and nationalism. If a man burglarizes my home, in spite of the fact that the Government has practically given me a pledge that law and order shall be maintained in this country, and life and property secured, I cannot come on the Government; and no Government that ever was would come to my relief and pay me for the goods stolen out of my house. Or, if I were maltreated and murdered on the street, the Government would not legally or morally or equitably be bound to recompense my family for the loss it sustained by reason of my being blotted out of existence. That thread runs through the whole of modern government, and that is as far as governments can go unless we become completely communistic and socialistic.

The same principle runs through our banking operations, the granting of letters patent, and numerous other institutions, which the Government tries to make as safe as possible. But if, in spite of all these precautions, someone breaks loose and some harm is done, it never goes to the extent of saying: "You can come to us; we have an open purse and will give you relief, and will call upon everyone in the community to contribute his share." That is the ground upon which I stand.

Hon. Mr. BELCOURT: If for the purpose of the war the Government needed my house or my chattels, and came and took them or used them and caused considerable damage to them, would there not be at least an equitable claim against the Government for compensation?

Right Hon. Sir GEORGE E. FOSTER: There would be no claim or dispute about it at all. If the Government wants to build a railway it can go through your property and take it and pay you what it considers right.

Hon. Mr. BELCOURT: But that is regulated by statute. There is provision by statute for that sort of thing.

Right Hon. Sir GEORGE E. FOSTER: But it is quite different from the general S-43 argument that I have been working out. Surely my honourable friend does not mean that as an argument. As a question it has its answer, and I give it the answer.

Hon. Mr. BELCOURT: I think the proposition-

Right Hon. Sir GEORGE E. FOSTER: I cannot now discuss the question, pro and con, with my honourable friend. He is as full of questions as an egg is full of meat, and they come out equally at the most opportune and most inopportune times.

Where was I when I was plied with this question? I think I was on the general principle that what a Government does do, and what it is bound to do, is to take every proper care. When it fails in the object of Government in any of these respects, then the person who has been protected to the utmost has to pay his own shot in the losses which occur.

My honourable friend to my right (Hon. Mr. Robertson) says that he supported the amended Bill from a certain standpoint. I supported it from an entirely different standpoint. To-day he takes the stand that we ought to insist upon the measure that we passed. Whilst I am out of sympathy with all the reasons upon which this relief is asked and has been measurably granted, and whilst unable to carry my views in this House to the extent to which I would have liked to carry them, I stand by the common conclusion at which we arrived, and I will support the measure which we adopted.

I have a little grudge against my honourable friend who leads the Government here. He has led me and the rest of us into a certain position. Now he comes back and whips us because we took the position that he urged and persuaded us to take. When we were half through with the discussion and opinions seemed pretty well matched, with perhaps little result either way, my honourable friend intervened. From his wise judgment of the noddles of honourable members on either side of the House, and after admirable measuring and weighing, he summed up the mean or average opinion of the Senate, declaring that if we would just accept his suggestion and travel along the lines of that average opinion we would reach the best possible conclusion. We trusted him. We took our marching bags and saddle packs and we followed him. We went into his Committee at his suggestion and made an arrangement not on the highest grade, not the lowest grade, but on the mean or average grade. Now, after we have all entered the front line of battle and are exposed on every side to the

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rake of the enemy's fire, he comes back as a member of the Government and asks us to retreat while they pepper us with shot. I think my honourable friend was ungracious to lead us into a trap of that kind. I just remind him of this. We will forgive him this time, but if he ever does it again we shall have some hard words to say about him.

My honourable friend from Assiniboia (Hon. Mr. Turriff) comes out on sensible lines once in a while, Progressive though he is. He came out this afternoon on what I think is a very sensible line. In order to gain his heart's desire, his correct course is plainly to insist on what we have done. That will be so much gained, anyway. If he does not do that, he stands to lose what he wishes for in this respect.

These were a few things I desired to say. I wish to make it plain that in my opinion, with due regard to the history of government and to what may follow from the precedents we set we can stand on no firm ground but that which I indicated in the remarks I made last Wednesday in this Chamber.

My honourable friend has cited one instance and invited my attention to it. What is that instance? It is the case, not of a person in actual need, but a person who through years of saving put by, over and above present requirements, something for a rainy day. She placed it where it was supposed to be safe, and it is in jeopardy. She has other means, which make it problematical that she can base her claim on actual need. That instance appeals to our sympathy, but, after all, there are other cases which would appeal just as strongly. You may lay by a few thousand dollars for a rainy day. On the other hand, you may bring up a family with care and tenderness, and when they have reached the age at which they are capable of earning money they may be drafted into military service and their assistance be taken from you for years, perhaps forever. They have been a much more valuable asset to you than would be a few thousand dollars saved up and deposited in a bank, but you cannot come to this Government and ask it through sympathy to pay you for your loss. That kind of loss is distributed all over our country, and that is the reason why I say that if you put the claim for compensation on the ground that the loss was due to the war, it is a pretty wide ground. I do not know at what goal you would ultimately arrive if you travelled along that road. Whatever we do, we shall find cases which appear extreme, but this case is not that of the greatest hardship that I could imagine.

Hon. Mr. DANDURAND: Honourable gentlemen, I would like to clear myself of the implied accusation of insincerity. I want to remind my honourable friends that when I suggested that we should pass the second reading without binding ourselves to the principle of the Bill, it was in order that on the next day we might hear the Liquidator and ascertain how much truth there was in the claim that possibly we were paying money to a large number of well-to-do people. We met in Committee informally-for the Bill was not referred to that Committee-for the purpose of hearing the Liquidator, and after an hour or two of explanation from him we found that as a matter of fact 47,000 claimants out of 53,000 had claims below \$500, and that the Home Bank was hardly a commercial institution, as it did not lend money, but simply received deposits and threw them into sinkholes. In order to clear myself of any responsibility for the preparation of these amendments, may I remind my right honourable friend that the Banking and Commerce Committee decided to appoint from among its members, or from among the members of the Senate, a small sub-committee to confer informally-for it had no mandate-and to study the proposed amendments. Although my name was in the list of members of that sub-committee, I stated that, inasmuch as I had in hand a Bill which I had been commissioned to submit, explain and defend in the Senate, it would not be proper for me to act on that sub-committee. My right honourable friend will therefore realize, if I may now refresh his memory, that I simply led him and many other colleagues into a conference with the Liquidator so that we might obtain all possible light on the matter.

Right Hon. Sir GEORGE E. FOSTER: Which, being interpreted. means that my honourable friend led his valiant troops up to the front and into the firing line, and then deserted to the enemy leaving them to take the consequences.

Hon. Mr. DANDURAND: I met the troops again here, and I pointed out, just as the Bill was about to come from Committee, that it was at variance with the principle of the measure that I had been defending. I stated that I did not know how the Government or the House of Commons would receive it.

Right Hon. Sir GEORGE E. FOSTER: I think you are in for that.

Hon. Sir JAMES LOUGHEED: Question.

The motion of Hon. Mr. Dandurand was negatived on the following division:

Hon. Mr. BELCOURT.

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Honourable Messieurs:

Belcourt, Dandurand, Dessaulles, Harmer, Haydon, McCoig, Messieurs: McHugh, Poirier, Ross (Moose Jaw), Turgeon, Watson.—11.

NON-CONTENTS

Honourable Messieurs:

Right Hon. Sir GEORGE E. FOSTER: I beg to move:

That the Senate doth insist on its amendments to the said Bill for the following reasons: That the Senate in its action did not change the

That the Senate in its action did not change the directing principle of the Bill, which provided not for the satisfaction of a legal claim on the part of the creditors of the Home Bank, nor of a "moral claim in equity," which would have called for full payment of such claims, but for a compassionate relief therefor limited to 35 per cent of their losses incurred.

And for the further reason that the Senate has not in its amendments exceeded its well-understood and longestablished right in respect of Money Bills.

Hon. Mr. DANDURAND: The rules of the House make it imperative, upon such a proposition being made, that a Committee of Senators be appointed to draft reasons. I suppose we can agree to dispense with that rule and accept the reasons already contained in the motion.

Hon. Sir JAMES LOUGHEED: That has already been done.

The motion of Right Hon. Sir George E. Foster was agreed to, on the same division reversed.

Hon. Mr. McHUGH: I understood from the reading of this motion that it called for the payment of 35 per cent to the depositors. But the amendments made to the Bill by this House call only for the payment of 35 per cent to a very few of the depositors. In fairness to this House and to the country generally, I think it should be shown that we did not oppose the provisions of the Bill giving all the depositors 35 per cent.

Hon. Mr. DANDURAND: As every member remained in his seat during this vote, I S-434 have no desire to lose the time of the House by asking that another vote be taken, if it is understood that the vote was taken and registered as that given on the preceding motion reversed.

Hon. Sir JAMES LOUGHEED: Yes, that is the understanding.

Hon. Mr. DANDURAND: Then that division will be recorded—the same division reversed.

The Hon. the SPEAKER: It is ordered, that a messenger be sent to the House of Commons by one of the Clerks, to convey to that House this motion.

CRIMINAL CODE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 147, an Act to amend the Criminal Code (as amended).

Hon. Mr. Robinson in the Chair.

Sections 1, 2 and 3 were agreed to.

On section 4-amendment to penalty clause in respect to advertising:

The Hon. the CHAIRMAN: Section 4 was stricken out in Committee.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I should like to ask the particular reason which led the Committee to report against this section of the Bill, which is an important one, and has reference to what I think is a very serious public menace. The habit of betting, as it has developed in Great Britain, is admitted on all hands to be very close to a curse to that country. The habit does not prevail in this country to the same extent as in Great Britain, or in the sister colony of Australia, where everybody seems to bet.

The reasons that are urged in Great Britain for legislation against betting, by socalled "faddists" and "uplifters", who are often scoffed at, are the result of a series of very careful and exhaustive examinations and reports which go to establish the tremendous and widely distributed evils that arise from the betting habit there. If we have not developed that habit to so large an extent, are we not on the way towards developing it? And if it is a bad thing to make such a habit general, is it not wise for us as legislators to put every possible impediment in the way of the easy cultivation and growth of that habit? That is the opinion of a great many people in this country. Perhaps that sentiment has not permeated the legislatures to so large an extent as it has affected the vast body of our

better thinking people, who deplore the effects in other countries, and who would be very sorry to see the same developments in this country. Hence they have come year after year appealing for restrictions, and these have been thrown around this evil, so as to deter the youth of our country from cultivating the habit.

In many cases, legislatures have passed restrictions to the extent of their powers, and in the House of Commons this Bill received almost unanimous assent after having been very thoroughly discussed. To me it seems somewhat drastic for us to step in now and obliterate what might be called preparatory sentiment, which I believe is strong in the country, and which has demonstrated its strength by the legislation which has already passed the other House.

I think there should be some very strong reasons why we should throw out the considered conclusion of the other House, which gave much more serious and lengthened examination to this matter than we have done.

Hon. Mr. DANDURAND: Honourable gentlemen, it is not for me to give the reasons which actuated the Committee in rejecting this amendment. I confess that I did not have the help of the eloquence of my right honourable friend to support me in the Committee, but I regard this matter of sufficient importance to test the general feeling of the Senate, and I therefore move:

That this amendment of the Committee be not coneurred in.

The Clause in the Bill as it came to us prohibits the publication of:

-any information intended to assist in, or intended for use in connection with, book-making, pool-selling, betting or wagering upon any horse race or other race, fight, game or sport, whether at the time of advertising, printing, publishing, exhibiting, posting up or supplying such news or information, such horse race or other race, fight, game or sport has or has not taken place; or,

The present Act prohibits importation, but this prohibition has not proven effective, and the Commons sent to us an amendment which prohibits publication altogether, and thus covers not only the publication in our Canadian press, but naturally in all foreign newspapers, either with intent or not. This is a very clear advance, as I believe, upon the legislation we have on the Statute Book. The present statute prohibits publication with intent, and prohibits importation of news, but this amendment prohibits publication altogether, either with intent or not.

My right honourable friend (Right Hon. Sir George E. Foster) said that the habit of betting had perhaps not permeated our popu-

Hon. Sir GEORGE FOSTER.

lation to as great an extent as it has done that of other countries; yet the bookmaker is plying his trade in cigar stores, hotels, barber shops, everywhere, and offering his bets to all the people he can meet in places where men congregate. These bets are made on entries and selections which appear in the press, and it is upon those entries and selections that he asks people to bet, and of course the bets are settled on the results as published.

The Committee was opposed to this legislation because it was claimed that it could not be applied; that the people could get such information through the radio, the telephone and the telegraph wires. The Committee also felt that we could not prevent the press of the United States, Great Britain, and other countries from reaching our shores with that information. Therefore I confess that I was alone in the Committee in standing by that clause.

I still believe that there is some advantage in trying to prevent the extension of that human frailty, the habit of betting, or winning by chance. In order to induce my colleagues in the Committee to accept this legislation, I declared that I was ready to vote for this amendment which was suggested by a member:

Nothing in this section shall prevent a newspaper from fully reporting a horse race or other sporting event on the day such event takes place or on the next following legal day.

That is, we retained the prohibition of announcement of any race or event. the probabilities or selections, or the list of competitors, be they animal or human; but I was ready to except the announcement of the result of a race after the event had taken place. But even with that amendment, I made no headway. Here I am in the Senate. and with the help of my honourable friend I hope I may reverse the decision of the Committee.

Hon. Sir JAMES LOUGHEED: My honourable friend would leave the impression that there was a strong betting community among the members constituting the Committee on the Criminal Code, and that in order to support their favourite pastime they struck out this clause; but my honourable friend knows that the evidence before the Committee showed that it was practically impossible to enforce this law. It meant that we would have to suppress the infor-Well, the mation in the Canadian press. Canadian press might possibly bow obediently to the mandate of the law, and suppress the information; but what about the

foreign press coming into Canada-the English papers, the American papers, the French papers; all the foreign papers that come into the Dominion and are disseminated as widely almost as our own press? Is it not manifest that it would be impossible for the Government to suppress the information appearing in the foreign press touching this subject? It was said before the Committee that these papers would have to prepare a special expurgated edition for dissemination in Canada, so that our morally superior minds might not be contaminated by the information which they generally publish and disseminate among other people. That, of course, is a very high ground to take; it is an ideal condition of mind which, by and by, after a lot of legislation, our people may reach. But up to the present time we have not been able to satisfy ourselves that we are very much better than other people, and that special editions of the foreign press should be published for consumption by the Canadian people.

Why place upon the Statute Book legislation that cannot be enforced? There seems to be an opinion amongst certain portions of our public to-day-and it is disseminated by a certain school of morality-that if there is anything wrong in the moral tone of the people, all that has to be done to rectify it is to place legislation upon the Statute Book. This is an attempt in that particular direction. But you cannot make people moral by legislation. It was admitted before the Committee that the present law is not enforced. There is no attempt practically to enforce the present statute; and if the present statute is not enforced, how in the world can we hope to enforce legislation touching the foreign press? Such a thing would mean all kinds of international complications. It seems to me that we should exercise common sense in regard to legislation of this kind. There is just as strong a moral sentiment on the part of those who are opposed to this legislation as there is on the part of those who are promoting it, and it is just as well, honourable gentlemen, not to be hypocritical, but to express ourselves plainly on this subject.

Right Hon. Sir GEORGE E. FOSTER: I have every sympathy with the idea of slating the hypocrites. Slate them; slate them every time; slate yourself if you are a hypocrite; but I do not like the insinuation conveyed in the statement that this kind of legislation was supposed to seize only moral and superior minds. This legislation is not asked for by people who make any assumption of being the superior and only correct

moralists in the country, and I do not think my honourable friend meant it in that way.

Hon. Sir JAMES LOUGHEED: No, I certainly did not.

Right Hon. Sir GEORGE E. FOSTER. But an expression of that kind is sometimes so extreme that when it comes out in the headlines of the press it does not have a good influence on youthful minds. I am not one of those who think that we should go farther than the law can fairly well be carried out.

Hon. Sir JAMES LOUGHEED: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: I am quite agreed with my honourable friend on that; but I am absolutely of the opinion that you must follow the trend of public sentiment, and that legislators willy nilly are in duty bound to follow it as far as there is a chance of comparative success in carrying it out.

Hon. Sir JAMES LOUGHEED: Will my honourable friend allow me to put him a question? How will it be possible for the Government of Canada to exclude the foreign press which, as my honourable friend knows, has a very large circulation in Canada? And why should the foreign press, if it cannot be suppressed as to this information, be placed on a better plane than the press of Canada?

Right Hon. Sir GEORGE E. FOSTER: Argument along that line is fallible, I think' If, because we cannot keep somebody else from doing a thing which it would be better not to have done in our country, is it better therefore to let everybody in the country do it?

Hon. Sir JAMES LOUGHEED: It is not done by other countries.

Right Hon. Sir GEORGE E. FOSTER: I do not think that would follow in strict logic, as Quackenbos taught it to me in my early life.

Hon. Sir JAMES LOUGHEED: If you could induce other Governments to do the same thing-

Right Hon. Sir GEORGE E. FOSTER: I followed the statements made by the representative of the Justice Department. This Bill, I suppose, originated with and has the imprimatur of the Justice Department.

Hon. Sir JAMES LOUGHEED: No. It originated with Mr. Raney when he was Attorney General of Ontario. Right Hon. Sir GEORGE E. FOSTER: Well, suppose it did. It could never get here unless the Department of Justice took it up.

Hon. Mr. DANDURAND: All those amendments come through the channel of the Department of Justice.

Right Hon. Sir GEORGE E. FOSTER: Surely we have not a Minister of Justice who simply lets a thing go through because somebody outside who has a particular fad wants to have it done. Surely, in a responsible, modern Government we have the Justice Department behind every bit of legislation referring to our Code which it is attempted to put on our Statute Book. Then, I read what Mr. Edwards said, who, I think answered very well the questions that were put to him; and what he said led me to believe that it would be possible to make use of this law to advantage. There is a difficulty with regard to foreign papers; but I wonder if it is impossible for the United States papers, which, I suppose, are the main ones that come in-

Hon. Sir JAMES LOUGHEED: No, the English papers. The Times publishes this information.

Right Hon. Sir GEORGE E. FOSTER: I wonder whether it is not possible for those papers to put out an expurgated edition? It certainly is possible. Is it practicable? The dissemination of this information is against the law of the country, and the law of the country must be operative. We have post office regulations and laws which actually prohibit a certain class of papers. These papers, we know, do come in surreptitiously; but I do not think we could take the ground that because we cannot suppress them entirely, and because they come in, we ought not to have laws against them. The question is whether we cannot go a little further than we do now. I do not want to appear extreme, and I do not think I am; but as a legislator I want to keep fairly even with the public sentiment that is abroad.

Hon. Mr. DANDURAND: Honourable gentlemen, there is a certain sentiment in various places in the country in favour of this legislation, and I think we owe it to ourselves to express an opinion on the matter and to show where we stand. If the Senate disapproves of this legislation by a very large majority, such as that which appeared in the Committee, the public should know it. and we should not every year be receiving from the Commons legislation which the Senate will not entertain.

Hon. Sir JAMES LOUGHEED.

Hon. W. B. ROSS: Honourable gentlemen. I just wish to make a few very brief remarks about this matter. I think it is about time that we ceased paying any attention at all to the opinion of the Department of Justice. I have the greatest respect for the personnel of that Department. It is composed of able and trained men, but it is a political institution, and you cannot make it otherwise. It is exactly the same with our Department of Justice as it was with the law officers of the Crown when Lord Palmerston once complained to one of them saying, "That opinion of yours caused me a great deal of trouble." "Well." was the reply, "you did not tell me what kind of opinion you wanted." Now I drop that out altogether.

The proposition is submitted that we should follow public sentiment. I challenge that proposition in toto. Public sentiment may be one way to-day and another way to-morrow This House, which is asserting the rights that belong to it as the supreme court of this country, the final court of appeal in practically everything, has to find out the principle on which to act, and to keep steadily to that and to guide public sentiment.

Now, when you come down to particulars, you will have the curious state of affairs that the Ottawa Journal and the Ottawa Citizen cannot do certain things, but that the London Times, the Spectator, and all other foreign papers will be doing them, or else they will have to publish a special Canadian edition, which I think is utterly nonsensical. For that reason I am satisfied that the action of the Committee on this Bill was right. You are not enforcing the law that you now have, and you are adding still another. There is no good cluttering up the Statute Book with things you don't enforce.

The motion of Hon. Mr. Dandurand was negatived: yeas, 11; nays, 27.

Section 4, as amended by the Committee, was agreed to.

Sections 5 to 32, were agreed to.

On the preamble:

Hon. Mr. DANDURAND: A strange accident befell this Bill on its way from the other House. An amendment which carried there was not included in the Bill, and I will now move it as an amendment. It reads as follows:

Paragraph (a) of section 542 of the said Act is repealed, and the following is substituted therefor: (a) wantonly, cruelly or unnecessarily beats, binds,

(a) wantonly, cruelly or unnecessarily beats, binds, ill-treats, abuses, overdrives, tortures or abandons in distress, or, having actual possession and control thereof, in any way fails to provide and supply food, water and shelter for any cattle, poultry, dog, domestic animal or bird, or wild animal or bird in captivity, so that unnecessary suffering or injury is caused to the same; pr,

Hon. Sir JAMES LOUGHEED: Why not include humankind in that?

Right Hon. Sir GEORGE E. FOSTER: They are provided for.

Hon. Mr. DANDURAND: I think they are taken care of in other clauses of the Act.

Hon. Mr. BEAUBIEN: I would like to ask the Minister whether a person who forgets to give his canary water or grain would be held responsible under that provision?

Hon. W. B. ROSS: Five years in the penitentiary. He will be hanged.

Hon. Mr. McMEANS: What about white mice?

Hon. Mr. BELCOURT: Has my honourable friend any statistics from the Department of Justice as to the number of cases of this kind that do take place?

Hon. Mr. DANDURAND: No, I have no information; and I had not the amendment when we had the Deputy Minister before us, because the amendment had been dropped.

Hon. Mr. BELCOURT: Has he himself seen many cases of maltreatment of horses by their owners?

Hon. Mr. DANDURAND: We already have a provision regarding the maltreatment of animals—

Hon. Mr. BELCOURT: I know.

Hon. Mr. DANDURAND: —but there is also maltreatment through refusing or neglecting to feed the animal.

Hon. Mr. BELCOURT: Every man feeds his horse.

Hon. Mr. BEAUBIEN: May I put a question to the honourable Minister? If a person left his house without providing food or water for his cat or his canary, would that person be responsible under this clause?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: He would?

Hon. W. B. ROSS: He would get five years in the penitentiary.

Hon. Mr. BELCOURT: Suppose the cat eats the canary?

Hon. Mr. McMEANS: Legislation of this kind keeps pouring down upon us. I do not know where it comes from. I would like to point out that there is not a city, town or municipality in the whole of Canada that has not a Humane Society for the prevention of cruelty to animals. I know that in the city of Winnipeg there is a secretary, who receives a salary, and we all subscribe to the Humane Society, so much a year, in order that it may look after cases of that kind. If the Society receives a telephone message, for instance, that a dog has been abandoned, they immediately send a special messenger to provide for that dog. I am quite in sympathy with the law and do not object to it, but I would like to know what real necessity there is for multiplying amendments to the Criminal Code in this manner. Does it really do any good?

Hon. Mr. DANDURAND: This amendment is based on the principle of natural obligation. It is a sanction against those who violate that obligation. Suppose that a newspaper in my honourable friend's city contained an item to the effect that a dog had been barking all night long in a certain house, and was evidently in great distress, and the house was closed. If the item gave the number of the house, would there not be hundreds of people in front of the place next day, and, if they heard that dog barking, would they not try to open a door or window in order to save it? That is in accordance with the natural inclination of human beings to protect animals.

Hon. Mr. McMEANS: But I am referring to this tendency to be always imposing punishments or making people liable to penalties, when the matter can be dealt with in a different way. You may have noticed in the papers recently an account of the drowning of a boy in the Red River. An attempt was made to get a boat in order to save, but the owner of the boat refused to let it be taken. He was driven from the city. I have since read that he jumped off a train, and he is now absolutely insane and is confined to an asylum. Public sentiment was so strong that the people gathered together and said to this man: 'You are an undesirable citizen. Get out of this city." There was no clause in the Criminal Code which compelled them to do so. You might pass a law declaring that if a man refuses to lend a boat in order to save someone from drowning, he shall be sent to jail, but the punishment in this case was much greater. I have no opposition to offer to the proposed amendment. but I do object to this continued piling up of penalty upon penalty.

Right Hon. Sir GEORGE E. FOSTER: -The very instance that my honourable friend here asked for has just been given to us. Why is it necessary to have a law to prevent a canary or other animal from being left without food? If so kind-hearted a gentleman as my honourable friend from Montarville (Hon. Mr. Beaubien) would be guilty of leaving it without food, do you not think that a pretty strong provision in the Act is required?

Hon. Mr. McMEANS: You would not like to see him go to jail?

Right Hon. Sir GEORGE E. FOSTER: I would hate very much to see him in jail, or on the road there—

Hon. Mr. DANDURAND: He could pay a fine and save himself.

Right Hon. Sir GEORGE E. FOSTER. —but I would much prefer to take the other horn of the dilemma and refuse to believe that my honourable friend would leave a dumb animal without food.

Hon. Mr. BEAUBIEN: Will my honourable friend permit me a question? Where are we going to draw the line? A person may have in his house some performing mice, or, as in the case brought before the Parliament of Great Britain, some performing fleas. Would my honourable friend include them, or would he go a little further and include other animals that bite, but are a little more important, and were well known during the war? I think there really ought to be a limit to the placing of ridiculous legislation on the Statute Book. You will not make people better by such legislation, and you are restricting their liberty at every turn.

Hon. Mr. DANDURAND: I would point out to my honourable friend that under the Act as it is now, everyone is guilty of an offence and liable to a penalty, fine or imprisonment, who—

Wantonly, cruelly, or unnecessarily beats, binds, ill-treats, abuses, overdrives or tortures—

an animal. Now the suggestion is to add to this paragraph so that it will read:

Or abandons in distress, or, having actual possession and control thereof, in any way fails to provide and supply food, water and shelter for any cattle, poultry, dog, domestic animal or bird, or wild animal or bird in captivity, so that unnecessary suffering or injury is caused to the same; or,

Hon. Mr. BEAUBIEN: There is a great difference. In one case there is a positive act of cruelty: a man beats an animal wantonly. I do not know whether that provision ought to be in the statute or not. But how far are you going with your amendment? You compel a man to keep in mind

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the duty of providing during his absence for any living thing he may have in his house, even the flees. Where are you going to stop? An animal is an animal.

Hon. Mr. MACDONELL: If you go away and leave a horse in a stable for two days without food or water, does that not constitute gross cruelty? My honourable friend from Winnipeg (Hon. Mr. McMeans) speaks of the Royal Humane Society and the excellent work they do. Well, if there is no law stating specifically where the cruelty is, they cannot carry out their duty properly, as they are trying all the time to do.

Hon. Mr. BEAUBIEN: If my honourable friend will allow me, I will try to draw a distinction. A man who leaves his horse without food or water and allows it to die is punishing himself, in the first place, because he loses his own animal; and if he could be guilty of that sort of thing he might commit cruelty. But is not that a remote How can you conceive of a man case? doing that? You can conceive of a man in anger beating his horse wantonly or cruelly, but it is hard to think of a man with rage in his heart locking the stable and going away, declaring he will be avenged on his horse by leaving it for four or five days without food or drink until it dies. That is the sort of idea that people have in mind when they rack their brains for a new law that is to bind us all through life If you forget about your canary and it dies, you must go to prison.

Hon. Mr. DANDURAND: Or pay a fine.

Hon. Mr. BEAUBIEN: Or pay a fine. You are a criminal. If you have performing mice and forget about them, you must go to prison. There ought to be a limit to that sort of legislation, and it seems to me that it is time to draw the line.

Hon. Mr. DANDURAND: I would point out to my honourable friend that the words "wantonly, cruelly or unnecessarily" govern the whole section.

Hon. Mr. DANIEL: Is not that the law already? I know that down where I live, if a man drives a horse that is galled in the shoulder, the Society for the Prevention of Cruelty to Animals immediately looks after that case and the man is punished.

Hon. Mr. DANDURAND: Yes, the law is already on the Statute Book. It is to that very clause the proposed amendment is added.

Hon. Mr. DANIEL: Is not the present law sufficient for a case of that kind?

Hon. Mr. DANDURAND: No. It does not cover abandonment in distress.

Hon. Mr. DANIEL: Of course it would.

Hon. Mr. BEAUBIEN: Will my honourable friend look at the word "ill-treats"?

Hon. Mr. DANIEL: If it is cruel to drive a horse with a sore shoulder, surely it is cruelty to leave a horse in a barn or stable without food or water.

Hon. Mr. DANDURAND: The first part of the amendment covers an action; the second part covers inaction. I move the adoption of this amendment.

Hon. Mr. TURRIFF: My honourable friend from Montarville (Hon. Mr. Beaubien) cannot conceive of any man leaving a horse for several days without food or water. During the past winter, a farmer living several miles out of Ottawa went away from his farm and left several head of cattle. He was away five or six days, and it was only by the bawling of these cattle, from starvation, that the neighbours knew he was away. Some of the cattle were almost at the point of death from starvation. If an amendment is necessary to cover cases of that kind, it ought to pass.

The amendment was agreed to.

The preamble and the title were agreed to. The Bill was reported as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill, as amended.

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

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Thursday, June 25, 1925.

First Sitting

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PRIVATE BILL

CONCURRENCE IN REPORT OF COMMITTEE

Hon. G. G. FOSTER moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 11, an Act to incorporate Dominion Chartered Customs House Brokers Association. He said: Honourable gentlemen, the Committee recommend that consideration of this Bill be postponed, in order that information may be given which was not before the Committee when we dealt with the matter this morning. The Committee think that the promoters should let this Bill stand till another Session.

The motion was agreed to.

GRAIN BILL

CONCURRENCE IN REPORT OF COMMITTEE

Hon. ROBERT WATSON moved concurrence in the report of the Special Committee to whom was referred Bill 113, an Act respecting Grain.

He said: Honourable gentlemen, the Committee sat until midnight yesterday considering this Bill, and we had the advantage of having with us the Board, the experts, and interested parties. The proposed changes are very slight. As a matter of fact, there is only one that is of any particular importance. It is in paragraph b of subsection 1 of section 140, and is to this effect. The Bill as it came before us read:

All grain inspected out of of a private elevator shall be required, in order to receive a grade, to be equal to the general average quality of the grade of a similar grade passing inspection at the initial official inspection point, and shall be properly cleaned.

The Committee recommend that that be changed by reinstating the following clause that passed the Agricultural Committee of the House of Commons:

All grain inspected out of a private elevator shall be required in order to receive a grade to be equal in quality to a similar grade passing inspection from the general bins of a public terminal elevator.

So the grades would require to be equal to the public terminal elevator grades in order to get a certificate. The paragraph as it come to us from the House of Commons provided for equality with the grade passing inspection at the initial official inspection point. Now, all grain is inspected at Winnipeg. The terminals referred to particularly are at Fort William and Port Arthur. Between Winnipeg and Port Arthur millers and others have an opportunity of buying carloads of wheat, and they naturally skin the grades more or less, because they take the best quality. It is not fair to ask an elevator that has to take in the residue to give the same grades as at Winnipeg. The terminal elevator at present has to give the same grade that is given in the public elevators. The other changes are simply the correction of a clerical error and the notification regarding the distribution of cars.

The motion was agreed to.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill, as amended.

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

HOME BANK DEPOSITORS RELIEF BILL

PROPOSED CONFERENCE WITH HOUSE OF COMMONS

The Hon. the SPEAKER presented the fol-

lowing message from the House of Commons: Resolved, that a Message be sent to the Senate respectfully requesting a Free Conference with Their Honours to consider certain amendments made by the Senate to the Bill No. 182, an Act for the Relief of the Depositors of the Home Bank of Canada, to which amendments this House has not agreed and upon which the Senate insist, and any amendment which at such Conference it may be considered desirable to make to said Bill or amendments therefo.

Hon. Mr. DANDURAND: Honourable gentlemen, according to practice and logic, the members of the Chamber whose policy has been maintained, in contradistinction to that of the other House, must move to appoint the Managers to the Conference from among those who have insisted upon the amendments. That being so, I leave it to my honourable friend to move.

Hon. Sir JAMES LOUGHEED: As my honourable friend is the Leader of the Government in this House, and is in charge of the Bill, it seems to me that he should move for the Conference. I shall then move to nominate certain gentlemen on this side to represent the views entertained on this side of the House.

Hon. Mr. DANDURAND: I have not the complete formula, but I move that we agree to a Conference, and I would suggest that we appoint from three to five managers.

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend that the Right Honourable Sir George Foster, the Honourable George G. Foster, of Alma, and the Honourable Mr. Black, of Westmoreland, should represent this side of the House. It seems to me that my honourable friend should nominate the Honourable Mr. Béique, who took a very active part in drafting the Bill as it went from this House.

Hon. Mr. DANDURAND: The Honourable Mr. Béique is not here.

Hon. Sir JAMES LOUGHEED: He will be here.

Hon. Mr. DANDURAND: And I believe that the Senate has sufficient confidence in the honourable gentlemen whom my honourable friend has named to leave the interests of the

Hon. Mr. WATSON.

Senate in their hands, with himself as the fourth representative. I believe that those four would fairly represent the opinion of the Senate.

Hon. Sir JAMES LOUGHEED: The only answer I have to that is that this Bill was very largely the unanimous production of the Senate. Both sides agreed upon it. It is very undesirable that any impression should be created either in the mind of the Commons or in the mind of the public that this side alone is responsible for the Bill. I think my honourable friend should appoint one or more representatives from his own side of the House; otherwise I would not feel that we were justified in going into a Conference on a Bill of this nature.

Hon. Mr. DANDURAND: I have no objection to the addition of a fifth representative; but there is a certain misconception as to the attitude of a certain number of the members of this Chamber. We went into this matter yesterday although not very deeply, and my right honourable friend (Right Hon. Sir George E. Foster) referred to my suggestion that we were not binding the Senate to the principle contained in the Bill-that . we passed the second reading and looked for more information from the Liquidator. Of course, my honourable friends will realize that I resigned myself to the action of the Committee, because I felt that the measure as presented did not meet with the approval of the majority in this Chamber. My honourable friend himself referred to that situation yesterday. There was undoubtedly an adverse opinion on the measure as presented to this Chamber, as was manifested by the dis-cussion, and I agreed that the substitute measure should be sent to the Commons in order to try to obtain a compromise which would to a large extent satisfy the vast majority of the depositors. I made the necessary reservation when the Bill came from the Committee so that I could indicate clearly to the Senate that I had no mandate from the Government to accept the substitute measure which then came before this Chamber. Now my honourable friend should nominate the representatives.

Hon. Sir JAMES LOUGHEED: Not entirely. If I assume the responsibility of nominating the majority of the Managers, I certainly must insist on my honourable friend nominating at least two from his side of the House, because the conclusion arrived at on the Bill was peculiarly unanimous. My honourable friend moved the third reading of the Bill. Hon. Mr. DANDURAND: I stated under what circumstances I moved the third reading; and if my honourable friend will look into the precedents he will find that the appointment of the conferees is in the hands of those who represent the majority. My honourable friend has already nominated three representatives, who with himself would make four, and I would have no objection to his selecting a fifth member from among those who are supposed to hold Liberal tenets.

Hon. Sir JAMES LOUGHEED: There ought to be two.

Hon. Mr. DANDURAND: Well, my honourable friend can add the names of the Honourable Mr. Béique and Honourable Sir Allen Aylesworth.

The Hon. the SPEAKER: As I understand the motion, it is:

That a Message be sent to the House of Commons to inform that House that the Senate agrees to a Free Conference, and that it has appointed the Right Hon. Sir George E. Foster, Hon. G. G. Foster, Hon. Senator Black, Hon. Sir James Lougheed, Hon. Sir Allen Aylesworth, and Hon. Mr. Béique as Managers to act on behalf of the Senate.

The motion was agreed to.

ROYAL GRAIN COMMISSION

INQUIRY

On the notice:

By the Honourable Mr. Gillis:

That he will inquire from the Government:

1. What was the total cost of the Royal Grain Commission authorized by Order in Council, May 1, 1923, including cost of printing Report?

2. What amount (if any) was paid for drafting the 1925 Grain Act and to whom paid?

Hon. Mr. GILLIS: May I ask if that information will be returned before the end of the Session?

Hon. Mr. DANDURAND: I have been pressing the Department for an answer to that question, and I am informed indirectly that the Department of Trade and Commerce had sent its answer to the Secretary of State, but that apparently some further information from another Department is necessary to complete the answer. I will try to find out where the difficulty lies.

Hon. Mr. GILLIS: If I could get an answer to the first question, I would not be so particular about the other one.

Hon. Mr. DANDURAND: That may be where the difficulty is. If I can get an answer to the first question I will bring it down.

SOLDIER SETTLEMENT BILL FIRST READING

Bill 208, an Act to amend the Soldier Settlement Act, 1919.—Hon. Mr. Dandurand.

SECOND READING POSTPONED

Hon. Mr. DANDURAND: I think we have on our files this Bill as introduced in the House of Commons, but we have not the Bill as passed by that House. It contains but one clause, and, if there is no objection, I will read the clause, and we may possibly agree to the Bill, without postponing its consideration to another sitting.

The section is as follows:

1. The Soldier Settlement Act, 1919, chapter seventyone 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, is further amended by adding the following section:

67. Notwithstanding anything in this Act, in the case of any settler who has not repaid his indebtedness to the Board, or who has not abandoned his land, or whose agreement with the Board has not been terminated or rescinded, the Board shall credit his account with an amount, in reduction of his indebtedness to the Board, determined as follows:

Forty per cent of the purchase price of all live stock advanced to the settler and purchased prior to the first day of October, 1920;

Twenty per cent of the purchase price of all live stock advanced to the settler and purchased on or after the first day of October, 1920, and prior to the first day of October, 1921.

The settler's account shall be credited with the total amount, determined as aforesaid, as on the standard dato in 1925.

I have no brief giving me any explanation of this policy, but we know that there have been many suggestions, both throughout the country and in this Chamber, that the Government should move in the direction of this Bill. It has been stated that many soldiers bought land at the peak of the market, and that there should be a re-valuation made in order that they should not have to carry an unbearable load. I know that my honourable friend opposite, who was at the head of this Department, knows more about the matter that any other member of this Chamber, and if he feels like agreeing to the proposition contained in the Bill, I would submit it for second reading.

Hon. Sir JAMES LOUGHEED: I presume that the principle of the Bill is that the Government has scaled down the valuation of the land and equipment furnished to soldier settlers—

Hon. Mr. DANDURAND: At a given period.

Hon. Sir JAMES LOUGHEED: --Consequently the original indebtedness of the soldier settler has been reduced by that amount, whether he has paid it or not. Is that the object of the Bill?

Hon. Mr. DANDURAND: If my honourable friend would read the clause, he would see. Perhaps it would be well to have the Bill put down for second reading at the next sitting of the House.

Right Hon. Sir GEORGE E. FOSTER: Surely if anything in the wide world could reduce this House to a mere rubber stamp it would be the pushing through of this Bill in its present condition.

Hon. Sir JAMES LOUGHEED: I think it is very desirable that we should know what the aggregate reduction will be. Of course, it will involve practically the loss of that amount. My honourable friend might ascertain at the same time on what principle we are proceeding in reducing the indebtedness to soldier settlers by the amounts mentioned in the Bill, because I presume these figures are applicable to all cases.

Hon. Mr. GILLIS: And we should know the number of settlers who will benefit by this reduction.

Hon. Mr. McLENNAN: There is another point, too: will there be a provision for men who have paid in full? I understand that a considerable number of men made all their payments; do they get the reduction?

Hon. Mr. TURRIFF: I would like to point out that while many of the soldier settlers got land that is valued very high, so that a reduction in their cases is probably in order, many others got their land at a very reasonable price, and have made a success of their venture. It does not seem reasonable that they should get a 40 per cent reduction, the same as the men who were led into paying double the value of their land.

Hon. Mr. DANDURAND: I will get the necessary data for the next sitting.

Hon. Sir JAMES LOUGHEED: When the information comes down we can discuss it more intelligently.

Hon. Mr. POPE: That Bill does not apply to land, but to stock.

Hon. Mr. DANDURAND: It deals with live stock only.

Hon. Mr. REID: I think this Bill, and probably 20 others, should have been introduced in this House first, and thus have given the Senate some work to do. We might have gone into this Bill and perhaps put it into better shape. It has been introduced in the Commons within 48 hours of prorogation.

Hon. Sir JAMES LOUGHEED.

Hon. Mr. DANDURAND: My honourable friend is in error. This Bill could not be introduced in the Senate; it must be initiated in the House of Commons.

Hon. Mr. REID: If it is a Money Bill; but there are a great many Bills that could have been introduced in this House, and I think we should insist next Session on that being done.

Hon. Mr. DANDURAND: I move that the second reading of this Bill be postponed until the next sitting.

The motion was agreed to.

CANADA TEMPERANCE BILL FIRST READING

Bill 209, an Act to amend the Canada Temperance Act.-Hon. Mr. Dandurand.

Hon. Mr. POPE: Is that the Bill that has been in this House two or three times?

Hon. Mr. DANDURAND: I have an impression that it is. I think it was dealt with a couple of times, but I am not sure. I think it is an old friend, but I do not know if it is in the same terms. I shall be able to give an answer to my honourable friend when it comes up for second reading.

BOARD OF AUDIT BILL

FIRST READING

Bill 233, an Act to constitute a Board of Audit.—Hon. Mr. Dandurand.

PENSION BILL

CERTAIN SENATE AMENDMENTS DISAGREED TO BY HOUSE OF COMMONS

The Hon. The SPEAKER presented the following message from the House of Commons:

That a Message be sent to the Senate to acquaint Their Honours that this House hath agreed to the second, fourth, fifth, sixth, seventh, eighth, nineth, tenth, eleventh, twelfth, thirteenth, fifteenth, eighteenth and nineteenth of their amendments to the Bill No. 70, an Act to amend the Pension Act, and hath disagreed to the first amendment for the following reasons:

to the first amendment for the following reasons: In section 1, the words "was attributable to or" should not be deleted as it is claimed a disability may make its appearance long after discharge and the words "incurred during military service" if they are the only ones left may lead to narrower an interpretation.

And hath disagreed to their third and fourteenth amendments for the following reasons:

Sections 3 and 9 should be reinstated: they provide for payment of pension to dependents upon the death of pensioners in classes 1 to 5 regardless of whether the death is a result of military service or not. It is represented that high disability pensioners are less than others in a position to provide in advance for their dependents.

And hath also disagreed to their sixteenth and seventeenth amendments for the following reasons: Section 16. The words "not attributable to or was" in the 16th line, and "or was the result of misconduct" in the 17th line, should not be deleted for the reason that a decision of the B.P.C. to the effect that the disease is the result of misconduct is equal to a decision that the disability is the result of an injury or disease "not attributable to military service" and in such a case there should lie an appeal to the Federal Appeal Board.

Hon. Mr. BELCOURT: As Chairman of the Committee that reported on this Bill I would ask that, this message be allowed to stand over until the next sitting so that in the meantime we may consider the effect of these changes.

Hon. Mr. DANDURAND: I move that the message be taken into consideration at the next sitting of the House.

The motion was agreed to.

NEW CANADIAN FLAG

Hon. Mr. REID: I was not here at the first part of the Session, owing to illness, but I have lately read in the press an item with reference to a new Canadian flag, and I would like to ask the honourable leader of the Government three questions: First, is it the intention of the Government to have a new and separate flag for Canada? Second, if so, are we to understand that the use of the Union Jack as our national flag is to be abandoned and a new Canadian flag substituted? Third, has any Order in Council been passed in connection with this matter, and, if so, will it be laid on the Table to-day?

I ask these questions because in the Province of Ontario there is a law which makes it compulsory to fly the Union Jack on every school house. I understand that the Province of Quebec and other provinces have a similar law. If this item be correct in stating that an Order in Council has been passed authorizing a new flag for Canada, we would have two flags. I would like to know just what has occurred.

Hon. Mr. DANDURAND: Is my honourable friend giving notice of the question, or is he putting it to me directly now?

Hon. Mr. REID: I am putting the question directly to the honourable leader, because I naturally suppose that he would know exactly whether such an Order in Council had been passed. If the honourable gentleman cannot answer the question now, will he answer it at 3 o'clock, when we meet again?

Hon. Mr. DANDURAND: I may inform my honourable friend that for many years a flag has been used in our navy, and also on land, which contained in the field of the flag,

besides the Union Jack, the escutcheon of Canada. My honourable friend is as familiar with the situation as I am, and I am very much surprised that he speaks of the substitution of a flag for the Union Jack. Of course, such a statement might move certain sections of ignorant people in the country, but it should not move my honourable friend, who knows that there has been such a thing as a distinct Canadian flag having the Union Jack plus the Canadian escutcheon in the field. There are many people in the country think that escutcheon is somewhat who difficult to distinguish at a distance. The Montreal Witness has lately advocated substituting the maple leaf for that escutcheon. A very loyal British Association in British Columbia has offered a prize of \$500 to anyone submitting the best device in place of that escutcheon in the field of the Union Jack, which is the Canadian flag at present in use throughout the land. The matter has been brought before Council by a letter from the Right Hon. Mr. Fielding suggesting that something be done to make it possible to distinguish more clearly by the flag on a Canadian ship that it is Canadian.

My honourable friend knows that Australia, whose people are loyal, has a distinctive flag, though I cannot describe it. I think New Zealand also has its flag. In Canada, where we are trying to blend and unite the people, we find the individual who wraps himself in the Union Jack and says, "See how much more loyal I am than my neighbour." We have heard this cry since 1867. But I think that the people of Canada generally are broad-minded. I am speaking not of the ignorant, but of those who make public opinion. They understand that there is in Canada no line of cleavage in loyalty to the Union Jack.

The honourable the Prime Minister has stated that in any study of the flag he would resent any suggestion that the Union Jack should not be the principal feature in whatever design is submitted to the Parliament of Canada. That should be satisfactory to my honourable friend.

Hon. Mr. REID: I did not intend to enter into any heated argument over this matter, or in any way refer to the loyalty of anyone in this country; but I do say that if an Order in Council has been passed Parliament is entitled to see it. I simply make the inquiry and request that a copy of the Order in Council be laid on the Table.

Hon. Mr. DANDURAND: I have all the documents for my honourable friend; but, as he was qualifying his question, which will reach the public, I did not wish to have the public think that the country could be divided on such petty lines.

Hon. G. G. FOSTER: My honourable friend who leads the Government has omitted to tell the House that the appointment of a Committee to study this question has been withdrawn by Order in Council. I am not certain of that, but believe it is true. I saw it reported in the press. If the statement is correct, the people of this country should be told that the matter is not under consideration at the moment, but will come up at the next Session of Parliament, or that a committee from both Houses would be appointed to study this very important question.

For my part, I agree entirely with the honourable Leader of the Government on this question. I am in favour of everything that will bind this country to the Union Jack and the motherland. But when the Prime Minister says, as he did in the House, "We propose to have a distinctive Canadian emblem on the Union Jack, so that our Canadian Flag may be recognized by every man, woman and child in this country," I think the suggestion is a wise one, and should be encouraged; and no false patriotism should be invoked by anybody to prevent Canada from having. like other British possessions, a flag of its own.

Hon. Mr. DANDURAND: I will bring down the Orders in Council.

THE PENSION BOARD

CRITICISM AT CONVENTION OF GREAT WAR VETERANS

On the Orders of the Day:

Hon. N. A. BELCOURT: Honourable gentlemen, I desire to bring to the attention of the House a statement which appears, in the same words, in the two morning papers of Ottawa. The statement I shall read is contained in the Citizen, but it appears also in the Journal:

Says Square Deal Impossible Under Present Chairman The belief that the ex-service men and their dependents in Canada would not get a "square deal" until the present chairman of the Board of Pension Commissioners was removed from office, or "mends his views," was expressed at the annual convention of the Great War Veterans' Association here yesterday by C. Grant MacNeil, Dominion secretary.

Mr. MacNeil's views were endorsed by L. W. Humphrey, Progressive member of parliament for Kootenay, B.C., who is a delegate from Trail and Nelson branches. The Dominion secretary said that during the recent consideration of the Pensions Act amendments by the Senate committee, the pensions board chairman sat beside the chairman of the committee "mutilating" vital sections of the act and paying no attention to serious cases of distress Hon. Mr. DANDURAND. on which concrete evidence had been adduced. These clauses had been inserted after years of careful investigation by the Ralston Royal Commission and other reputable bodies. Mr. MacNeil said he thought the members of the pensions board were obstructed in their duties, and held nothing personal against the members.

Soldiers' settlement and unemployed questions will be considered this morning.

I think that the most elementary demands of fair play and justice call upon this House to deal with that statement, which was apparently endorsed unanimously by the Convention now sitting in Ottawa, and has been widely published. In my opinion, we ought to dissent entirely from and protest against it.

In what I have to say of the Chairman of the Pension Board I shall refer only to the investigation entrusted to the Special Committee of the Senate regarding Canteen Funds and other matters and the two Bills on these subjects, and to the reports submitted by that Committee. The Chairman of the Board; his assistant, Mr. Paton; Mr. Gallaugher, the auditor of the Department of Soldiers' Civil Re-establishment; Colonel Parkinson, the Deputy Minister of the same Department, and several other gentlemen in the Service, either with the Pension Board or in the Department of Soldiers' Civil Reestablishment, were summoned to appear before the Committee to give information and express their views with regard to the matters under investigation. Colonel Thompson, the Chairman of the Board of Pensions. like his assistant, Mr. Paton, and the others, had to obey the command of the Committee, and he came. They were not present at their own suggestion or by their own will or inclination: they were there as witnesses. The Chairman of the Board sat for a while next to the Chairman of the Committee, as did Mr. Paton, Mr. Gallaugher and the others I have named. Mr. MacNeil himself sat next to the Chairman of the Committee whilst giving evidence or information. Colonel Thompson gave information and his views when he was questioned by the Committee. I think every member of the Committee will agree with my recollection that on no occasion did he display any animus or antagonism towards the soldiers with respect to any one of these matters, but on the contrary, in one instance at least, on a clause dealing with tuberculous cases, he made a suggestion quite favorable to the soldiers, regarding the propriety of inserting in the Bill some provision which would be more liberal than that contained in it, in the case of tuberculous cases. Many representatives of the different soldiers' organizations were present, and they were all

given an opportunity to place their views fully and repeatedly before the Committee. The statement contained in the two newspapers and the comments which Mr. MacNeil apparently made at the Convention with regard to the Chairman of the Board are unjustified, unfair and unwarranted, and should be resented.

What is meant by the last part of the paragraph I do not know:

Mr. MacNeil said he thought the members of the pensions board were obstructed in their duties, and held nothing personal against the members.

I have tried to understand that, but have failed, and am consequently not in a position to deal with it.

I am sure every member of the Committee will endorse all I have said on this matter, and will join with me in protesting against the statements referred to being made and published in the papers mentioned.

AUSTRALIAN TRADE TREATY BILL

MOTION FOR SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 238, an Act respecting trade relations with Australia.

He said: This Bill provides:

The Minister of Finance is authorized to enter into an agreement with the Government of the Commonwealth of Australia under which Australia shall grant to goods the produce or manufacture of Canada when imported into Australia the benefits of the reduced rates of duty set out in Schedule I to this Act, and Canada may in return therefor grant to goods the produce or manufacture of Australia when imported direct into Canada the benefits of the rates of customs duty set out in Schedule II to this Act.

The first attempt to arrange an agreement with Australia was made in 1893, when the Hon. Mackenzie Bowell, Minister of Trade and Commerce, went to Australia. His instructions were to confer regarding possible trade alliance and also to arrange for better telegraph communications.

These negotiations were entered into because the Canadian Government had, in 1889, authorized a subsidy of £25,000 for steamship service and in 1893 Swan & Hunter, of Newcastle-on-Tyne, offered to enter into a contract.

The Minister visited Australia, New Zealand, Tasmania and the Hawaiian Islands. No formal agreement resulted from the visit. In 1906, Mr. Deacon, as Premier of Australia, brought before the House of Representatives a proposed trade agreement with Great Britain. There was no mention of Canada in it, and on being asked why Canada was not included, he said that he had received no reply from Sir Wilfrid Laurier to a letter which he had written. Sir Wilfrid cabled apologizing, stating that his letter had been filed by mistake, but expressed a willingness to proceed with the arrangements.

Before any arrangements could be entered into the Bill was defeated in the House and the Deacon administration went out of office.

On the 3rd May, 1913, the Right Hon. Sir George Foster, as Minister of Trade and Commerce, reported to Sir Robert Borden that, following the invitation of the Minister of Trade for New Zealand, he had several conferences with Hon. Frank G. Tudor, Minister of State for Trade and Customs, Commonwealth of Australia, and Hon. Francis M. B. Fisher, representing the Dominion of New Zealand. Out of that conference nothing definite emerged, save that a conference was arranged between the Dominions, including South Africa, whereby it was hoped that more uniformity in customs matters could be achieved.

In February, 1922, Senator Pearce, of Australia, visited Canada and made certain representations to the Dominion Government respecting a reciprocal tariff between Australia and Canada. The Senator made two proposals, neither of which went far enough, and the Canadian Prime Minister cabled to the Prime Minister of Australia suggesting that the simplest and most convenient arrangement would be to exchange the Canadian British preference for that of Australia.

Negotiations were carried on during the summer of 1922 and the Canadian Prime Minister then suggested to Mr. Hughes, Prime Minister of Australia, that negotiations be carried on through the High Commissioners in London. Mr. Hughes declined this, and on the 2nd of September extended an invitation to a Minister of the Canadian Government to visit Australia and negotiate directly with the Australian Minister of Trade and Commerce. On September 25th Mr. Mackenzie King cabled to the Prime Minister of Australia that the Minister of Trade and Commerce would sail from Vancouver on October 20th, 1922. Arriving in Australia, Hon. Mr. Robb found that the Australian Government was on the eve of a general election, and apart from two interviews with the Prime Minister, Mr. Hughes, all his negotiations were carried on with the Australian Tariff Board. In view of the unsettled political situation, no definite agreement was then achieved.

In 1923 Senator Wilson and Major Oakley, Director General of Customs, visited Canada, when negotiations were further advanced. As a result of these negotiations an agreement has been arranged on the following lines:

SCHEDULE I.

(A) British Preferential Tariff Concessions by Australia to Canada:

Australia will grant to the undermentioned goods, the produce or manufacture of Canada, when imported into Australia, the rates of duty for the time being applicable to goods to which the British Preferential Tariff in the Customs Tariff 1921-24 applies, viz:—

Austral- ian Tariff Item	Articles	British Preferential Tariff
51	 Fish, viz.: (B) Fresh, smoked or dried (but not salted), or preserved by cold process. (C) Preserved in tins or other airtight vessels including the weight of liquid content	1d. 1d. 25 per cent 5s. 2s.
113	(B) Gloves of textile	10 per cent.
169	 Machinery, viz:— (A) Linotype, monotype, monoline, and other type composing machines, printing machines and presses; typewriters (including covers); machinery used exclusively for and in the actual process of electro-typing and stereotyping; aluminium rotary graining machines; adding and computing machines and all attachmentsad, val. (B) Cash registersad, val 	Free Free
334	 Paper, viz.:— (C) (1) News printing, not glazed, mill-glazed or coated, in rolls not less than 10 inches in width or in sheets not less than 20 inches by 25 inches or its equivalent	Free
	or in sheets not less than 20 inches by 25 inches or its equiv- alent	Free 15 per cent. 5 per cent. 20 per cent.

(B) Intermediate Tariff Concessions by Australia to Canada:

Australia will grant to the undermentioned goods, the produce or manufacture of Canada, when imported into Australia, the rates of duty for the time being applicable to goods to which the intermediate tariff in the Customs Tariff 1921–24 applies, viz:—

Austral- ian Tariff Item	Articles	Intermediate Tariff
110	Apparel, articles of, viz.:- (C) Corsets	40 per cent.
152	(A) Iron and steel tubes or pipes (except riveted, cast, close jointed or cycle tubes or pipes) not more than 3 inches internal diameter; iron and steel boiler tubesad. val.	5 per cent. 35 per cent.
328	Deferred dutyad. val. Goloshes, rubbers and boots and shoes and plimsollsper pair. Orad. val.	1s. 9d. 30 per cent.
359	 Vehicle parts, viz:— (D) Parts of vehicles with self-contained power, propelled by petrol, steam, electricity, oil, or alcohol, n.e.i., whether incorporated in the complete vehicle or separate, viz., (4) Chassis, but not including rubber tires:— 	
	(a) Unassembled	$7\frac{1}{2}$ per cent. 10 per cent.
	and arms), axles, n.e.i., springs, hoods, wheels, n.e.i. and bodies, n.e.iad. val.	50 per cent.

SCHEDULE II

Subject to the provisions of the Customs Tariff Act, 1907, there may be granted to the undermentioned goods the produce or manufacture of Australia when imported direct into Canada, the rates of customs duty hereinafter set out, viz:—

ariff em	Articles	Tariff Rate
7	Meats, fresh, n.o.p., per pound	$\frac{1}{2}$ cent
8	Canned meats, canned poultry and game; extracts of meats and fluid beef not medicated, and soups of all kinds Lard, lard compound and similar substances; cottolene and animal stearine	15 per cen
13	of all kinds, n.o.p.	Free
14	Tallow.	10 per cen
15 16	Beeswax	Free
$10 \\ 17$	Eggs.	Free
18	Butter per pound	Free
86	Cheese. Butter, per pound. Tomatoes and other vegetables, including corn and baked beans, in cans or other air-tight packages, n.o.p., the weight of the cans or other packages	1 cent
93	Apples, dried, desiccated or evaporated, and other dried desiccated or eva-	Free
97	Pears, quinces, apricots and nectarines, n.o.p., per one hundred pounds	10 per cen
97 99c	Baising and dried currents	25 cents
105	Raisins and dried currants. Fruits in air-tight cans, or other air-tight packages, n.o.p., the weight of the	Free
100	Calls of other backages to be included in the weight for duty per pound	1/2 cent
108	Honey in the comb or otherwise and imitations tharoof nor nound	1 cent
135	Sugar above number sixteen Dutch standard in colour when imported by a	1 Cent
	recognized sugar refiner, for refining purposes only, under regulations by	
	Sugar above number sixteen Dutch standard in colour when imported by a recognized sugar refiner, for refining purposes only, under regulations by the Minister of Customs and Excise; and sugar, n.o.p., not above number sixteen Dutch in colour super backets.	
	SIACCON DUCCH Stanuard in colour. Sugar dramings or numnings drained in	
	transit, melado or concentrated melado, tank bottoms, sugar concrete,	
	and molasses testing over fifty-six degrees and not exceeding seventy-six degrees, when not exceeding seventy-six degrees of molecular processing terms and not exceeding seventy-six degrees are not exceeding seventy-six degrees.	
	hundred pounds	35.00 cent
	when exceeding seventy-six degrees but not exceeding seventy-seven	55.00 cent
	degrees, per one hundred pounds	35.50 cent
	when exceeding seventy-seven degrees but not exceeding seventy-eight	are to com
	degrees, per one hundred pounds	36.00 cent
	degrees per one hundred nounde	0.0
	when exceeding seventy-nine degrees but not exceeding sight -	$36 \cdot 50$ cent
	per one hundred pounds	37.00 cent
	when exceeding eighty degrees but not exceeding eighty-one degrees.	or of cent
	per one hundred pounds	37.50 cent
	and molasses testing over fifty-six degrees and not exceeding seventy-six degrees, when not exceeding seventy-six degrees of polarization, per one hundred pounds	
	per one hundred poinds	38.00 cent
	when exceeding eighty-two degrees but not exceeding eighty-three de- grees, per one hundred pounds.	20 50 .
	When exceeding eleptivitize degrees but not exceeding oughty four do	$38 \cdot 50$ cent
	grees, per one hundred pounds	39.00 cent
	grees, per one hundred pounds	50 00 Cent
	per one hundred points	39.50 cent
	when exceeding eighty-five degrees but not exceeding eighty-six degrees,	10.05
	per one hundred pounds when exceeding eighty-six degrees but not exceeding eighty-seven degrees, nor one hundred neurod	40.00 cent
		40.50 cent
	when exceeding eighty seven degrees but not exceeding eighty-eight	to.oo cent
	when exceeding eighty seven degrees but not exceeding eighty-eight degrees, per one hundred pounds. when exceeding eighty-eight degrees but not exceeding eighty-nine de-	41.00 cent
	grees, per one hundred pounds	41.50 cent
	grees, per one hundred pounds	
		$42 \cdot 00$ cents
	when exceeding ninety degrees but not exceeding ninety-one degrees, per one hundred pounds. when exceeding ninety-one degrees but not exceeding ninety-two degrees, nor one bundred pounds.	19 50
	when exceeding ninety-one degrees but not exceeding ninety two degrees	$42 \cdot 50$ cent;
	per one hundred pounds	43.00 cents
	when exceeding ninety-two degrees but not exceeding ninety-three degrees,	Lo da conto
	per one hundred pounds	43.50 cents
	when exceeding ninety-three degrees but not exceeding ninety-four de-	11.00
	grees, per one nundred pounds	44.00 cents
	when exceeding ninety-four degrees but not exceeding ninety-five degrees, per one hundred pounds	14.50 0000
16.41	when exceeding ninety-five degrees but not exceeding ninety-six degrees,	44.50 cents
1000	per one hundred pounds	45.00 cents

SENATE

SCHEDULE II-Concluded

Tariff Item	Articles	Tariff Rate
232 264 781	when exceeding ninety-six degrees but not exceeding ninety-seven degrees, per one hundred pounds when exceeding ninety-seven degrees but not exceeding ninety-eight de- grees, per one hundred pounds over ninety-eight degrees, per one hundred pounds Glue, liquid, powdered or sheet and mucilage, gelatine, casein, adhesive paste and isinglass. Essential oils, n.o.p., including bay oil, otto of limes and peppermint oil Fruit pulp, not sweetened, when imported by manufacturers of jams or pre- serves for use only in their own factories in the manufacture of jams or	45.50 cents 46.00 cents 46.50 cents 12½ per cent Free
782	preserves Eucalyptus oil	Free Eree

Provided that the proportionate difference between the rates set out opposite the items above enumerated in this Schedule and the general tariff rates under the said items respectively shall at no time be less than it is at the time when the said above-mentioned rates come into force.

Provided further that any of the goods above enumerated in this schedule the produce or manufacture of Australia imported direct into Canada shall be entitled to the benefit of any reduction in duties or preference granted in respect of like goods imported from any British country.

For the Fiscal year ending March 31st, 1925, the trade between Australia and Canada was:

Imports to Canada..... \$ 2,634,713

Exports to Australia. . . . 12,037,203

Australia in 1921 passed a new Tariff Act which provided for the first time an intermediate column. Up to 1922 the Union of Australia had a reciprocal trade arrangement with South Africa only. On the 11th of April, 1922, a trade agreement was made with New Zealand by Australia.

Trade averages for periods since 1900 in Australia, as given in the 1924 Australian Year Book are:

		A	vera	ges for five ye	ar periods, etc.
Year				Imports	Exports
1901-5	 	 		£ 39,258,000	£ 51,237,000
1911-16	 	 		73,411,000	74,504,000
1920-21	 	 		163,802,000	132,159,000
1921-22	 	 		103,066,000	127,847,000
1922-23	 	 		131,758,000	117,870,000

This, of course, is the total trade of Australia.

This means that in the last two years for which figures are given the per capita imports and exports were:

-					Imports		Exports		ts		
1921-22					 £18	14s	1d	£23	4s	1d	
1922-23				••	 23	7s	8d	20	18s	4d	

The population of Australia, according to the 1921 census, is 5,435,734. 62 per cent of the population is urban and 38 per cent rural.

Australia has a climatic season the reverse to that of Canada, and its products which may come into Canada in most cases should arrive at a season when the supply is lightest in

Hon. Mr. DANDURAND.

Canada. In this way a more uniform level for food prices may be established.

To Canada, one of the chief advantages arising out of the treaty is that various classes of manufactured goods will be able to be imported into Australia at a far better rate than is now the case.

On the basis of the Canadian goods sold to Australia during 1922-23, 'the exporter to Australia will receive a benefit of \$869.058. The mere fact of an improved rate from Australia in the case of many commodities, however, will have the effect of greatly increasing the demand with consequent stimulation of Canada's export business in that direction.

The following details form the basis of the above statement that the Australian importer will benefit to the extent of \$869,058 under the new tariff:

Preferential Imports into Australia 1922-23

G 1.61	
Canned fish— Total imports	19,636,103 lbs. 5,851,619 "
Percentage from Canada	29.8%
	\$177,983
Value of Preference to Canada	\$111,000
Gloves-	£680,638
Total imports	
Canada's share	£27,701
Percentage from Canada	3.1%
Value of Preference to Canada	\$15,841
Linotypes, Typewriters, Cash Registers, e	
Total imports	£808,135
Canada's share	264
Percentage from Canada'	3/100 of 1%
Value of Preference to Canada	\$126
Paper, writing & typewriting (plain)-	
Total imports	£664,319
Canada's share	40,185
Percentage from Canada	6 %
Value of preference to Canada	\$20,040
Total imports	
Total imports	£1,669,749
Canada's share	446,455
Percentage from Canada.	26.7%
Value of preference to Canada	\$316,323
D. O.I.	4010,000
	£98,929
Total imports	
Canada's share	14.5%
Value of preference to Canada	\$9,272
value of preference to Callada	90,414

Paper, printing— Total imports Canada's share Percentage from Canada	
Value of preference to Canada	\$6,293
Intermediate	
Goloshes, Rubbers Sand Boots and Shoes & Plimsolls-	
Total imports	£94,688
Canada's share	52,455
Percentage from Canada	55%
Value of Preference to Canada	\$12,765
Chassis-	
Total imports	£6,118,177
Canada's share	1,936,574
Percentage from Canada	31%
Value of Preference to Canada	\$235,615
Corsets-	
Total imports	£509,516
Canada's share.	76,074
refeelinge from Canada	15%
Value of Preference to Canada	\$18,507
Iron & Steel tubes 3" diameter and less-	
Total imports	\$790,044
Canada s snare	76,194
Percentage from Canada	9.6%
Value of Preference to Canada	\$18.542
Vehicle Parts-	
Total imports	£691.267
Canada's share	155,138
Percentage from Canada	22.4%
Value of Preference to Canada	\$37,751
Total	\$869,058

It will be seen by the schedule that we are giving a preference to Australia on many products, such as cheese, butter and fruits, of which we are large exporters. In spite of being subject to our highest schedule, the United States is the greatest exporter to Canada of some of those goods. Surely we have something to gain by entering into this agreement, inasmuch as we are large exporters and as there is a barrier at the American frontier.

This, I think, is an agreement which will meet with the approval of the country. We cannot stand still. We must give our manufacturers a chance to cultivate new fields for their surplus products, and we cannot obtain concessions without giving something in return. Australia opens negotiations with us handicapped by an immense difference in the importations of the two countries. We believe that we should try to cultivate closer relations with our sister nations, and think this is a step in the right direction.

With these few explanatory remarks I move the second reading of the Bill, hoping that the Treaty will meet with the approval of the Senate.

Hon. E. D. SMITH: Honourable gentlemen, I wish to protest against the principles involved in the reduction of duty to Australia under this Treaty. I have no objection to treaties that would be of benefit to us, especially those with British countries, but the S-441 principles involved in the concessions given here are to my mind entirely wrong. They are that we take the present duties under the general tariff, which in many cases are extremely low, and reduce them to such small figures, and in some cases to nothing, so that they afford very little protection and revenue to the Government. It does not follow that because we wish to give concessions to another country we should damage ourselves. We can give just as great concessions as are involved in this Bill without injuring ourselves at all. Take, for instance, eggs and butter. The duty imposed by the United States on butter is 8 cents a pound, and on eggs 8 cents a dozen. Our duty under the general tariff is 4 cents a pound on butter and 3 cents a dozen on eggs. No harm could have been done by raising our general tariff up to the level of that levied against us by the United States. It would not be necessary to go that high in order to give the Australians the advantages which they will have under this proposed Treaty, of 3 cents a pound on butter and 3 cents a dozen on eggs. We could have raised our duty and given Australia the same preferences without doing any injury to Canadian industry.

It will be noted that all the disadvantages which will be suffered by Canadians under this Treaty are suffered by the farmers. They give everything. Whatever advantage the present tariff affords to farmers of various classes-and it does afford some advantagesis abandoned to enable Canada to send to the Australian market more of those goods which she already exports to that country in very large quantities-in fact, as the Minister has said, to the extent of twelve times as much as we import from Australia. That is to say, in order to increase our exports to Australia, we are to cut off, entirely in many cases, and to reduce in others, whatever advantage exists under our present tariff.

Australia produces meats of all kinds in such quantities and at such low prices that we can hardly expect our farmers to compete with those prices, which are really forced prices; and on those meats the duty has been reduced from the general tariff of $27\frac{1}{2}$ per cent to 15 per cent. On lard, eggs and cheese there is no duty at all. Those are all staple products of the farm. On butter there is a reduction from 4 cents a pound to 1 cent a pound. I maintain that the present duties on those articles are sufficiently low, and that they should have been maintained, and the general tariff raised 3 or 4 cents.

Then we come to canned vegetables. We are trying to establish in Canada a canning

industry of large proportions. I do not know that the free entry of canned vegetables will do any great harm; but we have had a protest from the canning industry, stating that this will be a serious blow to their efforts to establish that industry on a large scale. The duty on dried fruit is reduced from

The duty on dried fruit is reduced from 25 per cent to 10 per cent. This, I am told, will very seriously affect activities in the drying of fruits. The Government has been spending considerable sums of money during the last two years in trying to prove that the fruits of British Columbia and Ontariothat is, the tender fruits such as peaches and plums-can be dried to advantage, and while they have established dehydrating plants they are giving these concessions to Australia. The population of Australia is small, and those engaged in the fruit-drying business there are forced to take whatever they can get for their very large surplus. The results will be that their products will be forced upon our market. For years plums have been a drug on the market in this country, and thousands of baskets have never been gathered. The Government is now trying to prove that some varieties of those plums can be dried, and to establish a market in our own country, and at the same time it reduces the duty on this item to 10 per cent.

The next item is fresh fruits, pears and apricots. I do not think that the reduction here can do much harm, as their fruits come in during a different season of the year.

Then we come to fruits in air-tight cans. This is where the greatest harm will be done. The reduction here is from $2\frac{1}{2}$ cents per pound under general tariff to $\frac{1}{2}$ cent per pound. Fruit in air-tight cans is put up with sugar. Australia has a provision under which the duty levied on sugar used in canned fruits is refunded when the canned fruit is exported. In fact, it is provided that the sugar refiners of Australia shall not charge any more than the world parity for sugar used in canned goods for exports. That amounts to $\frac{1}{2}$ cent per pound, and the duty is reduced $\frac{1}{2}$ cent a pound, so that any advantage that might be left under this Treaty is counterbalanced by the cost of sugar to the Canadian canner.

But that is not all. The Australian Government provides not only a large bounty on the production of canned fruit, but a still further bounty on any that is exported, amounting to about 3 cents a pound, and we are put at a disadvantage if that bounty applies to these goods under this Treaty, for we cannot possibly can fruits in competition with that. Australia really bonuses to the extent of 3 cents a pound their canned goods sent in here, while we have no protection whatever, our small protection as a half-cent a pound being counterbalanced by the cheap-This practically ness of sugar in Australia. canned fruit, one of the large items, comes in free, with a bonus of 3 cents a pound additional to help bring it in here.

I think that the Government, in negotiating this Treaty, should have provided that no goods on which a bounty is paid would be included in this Treaty and come under these favoured terms. Therefore I propose to move this amendment:

That the reduction in duty on goods coming into Canada under this Treaty shall not apply to goods on which any bounty has been paid by the Australian Government.

I have in my hand the agreement between the Government of Australia and the canners there for the years 1923-24. Whether it is in existence now I am not sure, but I believe it is. Under this agreement the Australian Government proposes to pay bounties as follows:

Fruits	Rate of Bounty on Production	Rate of additional Bounty on export	Total
Apricots	 9d. per doz. 30-oz. tins	1/8 per doz. 30-oz. tins	2/5
Peaches (Cling)	 1/ per doz. 30-oz. tins	1/9 per doz. 30-oz. tins	2/9
Peaches (Free)	 10d. per doz. 30-oz. tins		
Pears	 9d. per doz. 30-oz. tins	1/6 per doz. 30-oz. tins	2/3

Hon. Mr. CASGRAIN: That is in dozen cans?

Hon. Mr. SMITH: Yes. These are the three articles that come in conflict with our fruit industry in Canada.

Hon. Mr. CASGRAIN: What about the weight of the can?

Hon. Mr. SMITH: Thirty-ounce cans weigh a little less than two pounds. These Hon. Mr. SMITH. figures work out, in cents: on apricots, 58 cents per dozen tins; on peaches, 66 cents; on pears, 54 cents. On one tin the bounty would be somewhat over 5 cents, and, as a 30-ounce tin is a little less than 2 pounds, it comes to almost 3 cents a pound advantage which the Australians would have under that Treaty. It would kill entirely the fruit canning industry in Canada. The Commercial Intelligence Journal, issued by our Department of Trade and Commerce, says:

Sugar for all exported manufactures to be supplied at the Australian in bond equivalent of the world's parity, calculated and determined in Melbourne by an export sugar committee composed of (a) one representative of Commonwealth Government; (b) one representative of sugar industry; (c) one representative of manufacturing exporters. The export price will vary as world's parity moves up or down.

The Government did one good thing in this Treaty: it adopted the right policy on raisins. The general tariff is two-thirds of a cent a pound. They raised that on the general tariff to 3 cents a pound, in order to give the Australians the advantage of free entry of raisins and currants, thus giving them a preference of 3 cents a pound. If they had done the same with other items, I should have held up both hands for this Treaty. It would have been a proper Treaty, giving some advantage in our market to Australia, instead of to some other country with which we had no Treaty. Somebody had a bright idea in his mind, and suggested this course in regard to raisins and currants; but that is an industry not carried on in Canada, and hence we did not require protection on those articles. But why did the Government not carry out a similar policy on the articles on which we do require protection? That would have been a wise policy, and there would not have been any damage to the fruit or farming industry in such an arrangement.

Free fruit pulp would be a fine thing for jam factories, and I have no objection to that, though for our fruit-growers it would be serious because fruit can be put up in cans and shipped at any time of the year, and jam manufactures in ports such as Montreal, Quebec, Halifax and Vancouver could import pulp and manufacture jam at those points as cheaply as we can manufacture right in the fruit district of Ontario. Why not? The freight on the pulp coming from Australia would not be any more than that on fruit or jam from our fruit districts to the various cities of Canada. The raw material for manufacturing jam could be laid down in all those ports so cheaply that jam could be manufactured and sold in those cities as cheaply as at the factory situated in the fruit districts.

I do not oppose the Treaty, but would like to see an amendment on the lines I suggest. I have no objection in the world to a Treaty with Australia or other countries, giving us reciprocal advantages that do not cause us any damage, but I do not see any advantage if the damage to us equals the gain, and that is what this Treaty provides for. I am not going to move any amendment to the Treaty except what I have suggested.

Hon. Mr. McLENNAN: Honourable gentlemen, I have a great deal of sympathy with the expression of opinion of the honourable gentleman (Hon. E. D. Smith) who has just taken his seat. As an expert, thoroughly familiar with the matters upon which he touched, he pointed out various difficulties and dangers to the fruit trade of Canada through this Treaty. He said that Australia was a poor and small country that had to export. In looking over the figures of the trade of Canada, it seems to me that Canada is a small country with abundant resources, which are being rapidly developed-so rapidly, indeed, that our own consumption of the commodities produced in Canada would be absolutely insufficient to keep our industries going. If our production were limited by our consumption the most appalling condition, economic, industrial and social, would result. These are the general impressions on my mind which I have verified.

There are about 2,000,000 people engaged in direct production in Canada, according to the principles on which various classes of employment are divided by the Dominion Bureau of Statistics. Those people in 1923 produced \$2,951,000,000 worth of goods, of which we exported \$1,045,000,000 worth; in other words, about one-third of the total production of Canada goes to swell our export trade. We know that a reduction of much less than a third in any business would have the most appalling consequences to the profitable carrying on of that business.

Another thing that ought to be borne in mind is that our foreign trade leaves a balance greatly in our favour. In 1923 our exports were \$1,045,00,000 and our imports \$893,000,-000, leaving in our favour a balance of about \$150,000,000.

On looking over these facts I was pleased to find the high position which Canada holds among the nations of the world in its foreign trade. In aggregate trade Canada ranks after only four of the greatest trading countries in the world—the United Kingdom, the United States, France, and Germany.

But, leaving these generalities as to trade, let us take up some of the details. The average consumption per person of flour is one barrel a year, which would provide for only 9,000,000 out of the 70,000,000 barrels of flour that were manufactured in Canada. Last year we found a market abroad for something over 62,000,000 barrels. That shows how important it is that we should extend this industry as far as possible, and give our traders every facility.

Take fish. The value of the catch in 1923 was \$42,565,000, and of that we exported \$27,000,000, while we imported under \$3,000,-000. This trade obviously needs foreign markets.

In 1923 we produced \$128,000,000 worth of paper. Of newsprint we produced 1,251,000 tons, of the value of \$93,000,000. Of that we exported 1,137,000 tons, or \$85,000,000 worth. In other words, we kept for our own use only 113,000 tons of newsprint out of a total production of 1,251,000.

Hon. Mr. CASGRAIN: We kept one-tenth.

Hon. Mr. McLENNAN: Yes. To show how these Trade Treaties affect business, in the year 1921 we sent to Australia paper to the value of \$6,000,000. A change in the Treaty reduced that to \$150,000, and it is only by carrying through this Treaty and re-establishing the position of Canada on a parity with other countries that Canada can hope to regain the Australian trade in paper which she once had.

Take our metals. We produce metals to the value of some \$34,000,000. Assuming that we can utilize all the gold and silver of which we produce some \$25,500,000, there is left \$59,000,000 worth of metals for which we have to find a market outside of Canada, unless we are forced to stop producing such metals as chromate, cobalt, manganese, nickle, and many of the rarer metals, for which there is no possible market at home, and with the names of which we are scarcely familiar.

Then, it is quite impossible to believe that Canada can consume the immense variety of produce such as 1,600,000 bushels of apples and 16,000,000 pounds of canned vegetables, which now go overseas.

In reference to what my honourable friend suggests, I believe that Canada is meeting Australia in the markets of the world with its fruit, pulp, its mutton, and its other products. These go into the common markets where our people meet them.

Hon. Mr. CASGRAIN: And they pay for the fruit to get there.

Hon. Mr. McLENNAN: We go, at all events, to get some part of that business in competition with the world, and we succeed

Hon. Mr. SMITH: In regard to canned fruits, that is not the case. We do not meet them in the world market at all.

Hon. Mr. McLENNAN: You do not export any?

Hon. Mr. SMITH: No. Hon. Mr. McLENNAN. Hon. Mr. McLENNAN: It seems to me absolutely essential for us to do everything we can to put our producers and manufacturers on the most favourable terms to compete for any and every market which they can reach. This cannot be done without our giving concessions. Naturally a country wants the most favourable concessions on those goods which it produces. In all our negotiations of Treaties we seek for that. Australia has said what she wants, Canada has done the same, and it seems to me that the gain will be much greater if this Treaty goes through than if it should be put off again.

I am perfectly certain that, with those Canadian industries which are conducted by men of such ability as the honourable gentleman who has just spoken (Hon. Mr. Smith), who as an expert producing goods of most excellent quality, even if there be for the moment a direct loss in some directions, in the long run they will gain far more by promoting the trade of Canada than they will lose for the moment. For that reason I am in favour of the Bill.

Hon. Mr. MICHENER moved the adjournment of the debate.

Right Hon. Sir GEORGE E. FOSTER: I would like to call my honourable friend's attention to the part of the argument of my honourable friend from Wentworth (Hon. Mr. Smith) with reference to the entry into Canada under this Treaty of articles which enjoy a bounty upon export from Australia. That is one of the most serious points I have heard brought up, and it would be a remarkable thing if the negotiators of this Treaty on the side of Canada had proceeded either in ignorance or forgetfulness of that fact when the Treaty was under negotiation. I wish the honourable leader would bring down that information.

Hon. Mr. DANDURAND: I am in a position to inform the Senate that the bounties referred to by my honourable friend ended on February 28, 1925.

Hon. Mr. BEAUBIEN: Is that only for bounties on canning, or does it include cattle at \$2.90 a head?

Hon. Mr. DANDURAND: The Act which was passed in 1924 provided for the payment of bounties on canned apricots, peaches, and pears during 1924, and it expired on February 28th last.

Hon. Mr. BEAUBIEN: Will my honourable friend ascertain whether the bounty of \$2.90 a head for the export of cattle still exists?

Hon. Mr. DANDURAND: I will.

Hon. Mr. SMITH: And there should be in the Treaty some provision against a repetition of bounty.

Hon. Mr. DANDURAND: Of course, when conditions are altered the Treaty can at any time be abrogated.

The motion of Hon. Mr. Michener was agreed to and the debate was adjourned.

Second Sitting

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

Routine proceedings.

RAILWAY EXPENDITURE

REPORT OF SPECIAL COMMITTEE

Hon. W. B. ROSS presented the report of the Special Committee on Railway Expenditure

He said: Honourable gentlemen, this House some time ago appointed a Committee to consider the very important public question of our railway expenditure. Your Committee has had a great many meetings, and before it appeared some of the ablest business men in the country. Your Committee has given its best attention to the subject of the heavy annual loss upon our railways, and submits now to the House the result of their inquiry and deliberations:

The Special Committee appointed to inquire into and report upon the best means to relieve the country from its heavy railway expenditure beg leave to make their second and final report as follows:

1. At the commencement of its inquiry, the Committee passed the following resolution :-

"Resolved : That the inquiry of this Committee should be confined to ascertaining from business and railway experts the best means to relieve the country of its heavy annual railway deficits, without entering into intimate details or particulars of the administration of the railways operating in Canada." 2. In pursuance of this resolution the Committee

heard the evidence of a number of prominent business men.

3 The Committee sat in camera without shorthand reporters, as the Committee were anxious to assure the witnesses the utmost freedom in expressing their views in the frankest possible manner, so making it unnecessary for the witnesses to make qualifications or distinctions which they might wish to do if their evidence was to be published, but which, so far as the inquiry was concerned, would be relatively unimportant.

4. It was made clear by the witnesses that the increasing of the obligations of the country on account of the Government railways is a matter causing much national concern.

5. The addition to the national obligations through the Canadian National Railways has, for the last six years, averaged about \$100,000,000 annually, amounting in the aggregate, according to the Government and railway reports, to the sum of \$710,943,247, or to the sum of \$595,943,247 in the last five years. There is no

assurance that under the present system this expenditure will materially decrease in the near future.

6. Among the different schemes discussed by the witnesses the most important were :-

(a) Co-operation between the Canadian Pacific Railway and the Canadian National Railway systems. (b) The acquisition by the Government of the Cana-

dian Pacific Railway.

(c) The sale or lease of the Canadian National Railways to the Canadian Pacific Railway.

(d) The transfer of the Canadian National Railways to a private company, to be owned and operated by such company.

(e) The merging of the two railway systems for pur-

The Senate adjourned until 3 p.m. this day. • poses of administration and operation. That both the Canadian Pacific Railway and the Canadian National Railway should be placed under the management of a Board of fifteen directors, five to be named by the Canadian Pacific Railway, five to be named by the Government, and these ten to choose five proven, capable business men to complete the Boarl; these last five directors to hold office for ten years and to be removed only for cause. That a recapitalization be made of the Canadian National Railways from the point of view of earning capacity.

That the Canadian Pacific Railway be guaranteed an agreed dividend on its stock.

In the event of the joint management producing a surplus, a dividend at the same rate as is paid to the Canadian Pacific Railway be paid to the Government on the capitalization placed on the Government Railways. After the payment of these dividends any surplus earnings available for distribution be divided between the Canadian Pacific Railway and the Canadian National Railways, in proportion to the valuation of the two systems.

7. Various witnesses emphasized the waste of effort and money on competitive immigration practice, urging consolidation of effort in this connection. Three agencies are at work to secure immigration into the Dominion, viz: the Dominion Government, the Canadian National Railways and the Canadian Pacific. Each of them maintains independent organizations, and their com-petition entails heavy expense; an expense which could be materially reduced by a unified system which would, at lessened cost secure better results.

8. It was also stated to the Committee that no incon-siderable part of the expenditure of the Canadian railways is attaining no other end than dividing existing traffic.

9. Your Committee is of opinion that unless energetic means be adopted to reduce our National Debt and the income tax, as is rapidly being done in the United States, we will be unable to command the foreign capital absolutely necessary for the development of our natural resources.

10. For those reasons, the scheme mentioned in subparagraph (e) of paragraph 6 above is strongly recommended to the attention of the government.

11. The merging of the two railway systems for purposes of operation and administration as above will remove or dispense with duplication in railway tracks and rolling stock, in passenger and freight services, in railway stations from the Atlantic to the Pacific, in telegraph, express, and other services, in offices, in accounting and book-keeping, in numerous other special offices and staffs, in administration boards, etc., etc., and thereby and otherwise save an enormous amount of money to the country.

12. On unification of the railways taking place, your Committee recommend that the powers of the Board of Railway Commissioners be increased, if necessary, to secure the safeguarding of the interests of the public.

13 Your Committee is of the opinion that the railway question is one of extreme importance and of the utmost urgency; that the constantly increasing public obliga-tion on railway account is approximately two million dollars per week, and that until this problem is settled in some way which will reduce the present enormous expenditure there can be no relief from taxation which is bearing so heavily on all classes, nor can there be any move towards the reduction in rates and fares so essential to the prosperity of every inhabitant of Canada.

14. Your Committee recommend that 4,000 copies in English and 1,000 copies in French of this report be printed for public distribution, and that Rule 100 be suspended in so far as it relates to the said printing. All which is respectfully submitted.

W. B. Ross, Chairman.

Hon. J. D. REID: Honourable gentlemen, the report which has just been read is, I think, one of the most important documents that has ever been laid on the Table of this House. A great many members of the Senate, however, like myself, were not members of that Committee, and I would ask the honourable Leader of the Government if he would send that report at once to the Printing Bureau and ask to have a number of copies printed for distribution among the Senators at the earliest possible moment. If that were done, I think probably before ten o'clock to-night we all would have copies, and would be able to study the report, so that when it is discussed we shall have some idea of what it contains.

Hon. Mr. DANDURAND: By six o'clock I shall have a sufficient number of copies for distribution to the members of the Senate.

I move that this report be taken into consideration after the Orders of the Day.

The motion was agreed to.

NIPISSING CENTRAL RAILWAY

STATEMEN'T AND DISCUSSION

Hon. GEORGE GORDON rose in accordance with the following notice:

That he will call the attention of the Senate to a matter of urgent public interest respecting the Nipissing Central Railway Company.

He said: Honourable gentlemen, I would like to place before this House some correspondence which perhaps will explain the situation more briefly than I otherwise could. Under date of June 2, 1925, there is a letter from the solicitors of the Nipissing Central Railway Company to the Minister of Railways, as follows:

Under instructions from our clients the Nipissing Central Railway Company we are transmitting to you herewith a memorandum with regard to the delay that has occurred in dealing with the petition filed by the Company with the Minister of Railways and Canals on March 31st, 1925.

Our clients will be exceedingly embarrassed unless the necessary consent is given without further delay.

This is a copy of the memorandum:

The Nipissing Central Railway Company was incorporated by Dominion Statute 6-7 Edward VII (1907) chapter 112. Under its Act of incorporation and amending Acts the Company is authorized to construct and operate a railway partly in the Province of Ontario and partly in the province of Quebec.

Hon. W. B. ROSS.

In 1923 the Dominion Parliament, by special Act (12-14 George V, chapter 80) extended the time for completing the railway until 13th June, 1928.

The Company on June 4th, 1924, obtained an order of the Dominion Railway Board under section 167 of the Railway Act approving its general location plan and on 17th March, 1925, obtained a further order under section 170 of the Act sanctioning the plan, profile and book of reference of the portion of the line of railway between Larder Lake in the Province of Ontario and Osisko Lake in the township of Rouyn in the Province of Quebec, a distance of about 37 miles.

Upon obtaining the last mentioned order, the Company, pursuant to section 172, subsection 2 of the Railway Act, deposited copies of the plan, profile and book of reference so sanctioned with the Registrar of Deeds at the town of Ville Marie in the Province of Quebec.

On 31st March, 1925, the Company, in order that it might take possession of Crown lands in the Provinces of Ontario and Quebec for the purposes of the railway, filed with the Minister of Railways and Canals at Ottawa a petition asking the consent of the Governor m Council as required by section 189 of the Railway Act, which in part reads as follows:

"189. (1) No company shall take possession of, use or occupy any lands vested in the Crown without the consent of the Governor in Council.

(2) Any railway company may with such consent upon such terms as the Governor in Council prescribes take and appropriate for the use of its railway and works so much of the lands of the Crown lying on the right of way of the railway which have not been granted or sold as is necessary for such railway. ..."

Since the filing of said petition the Company has repeatedly asked Ministers of the Crown at Ottawa charged with responsibility in the matter to expedite the granting of consent so that the work of construction would not be delayed, but as yet no action has been taken on said petition, or, if taken, the result has not been communicated to the Company.

The Company, being anxious to complete the railway from Larder Lake to Osisko Lake during the year 1925, arranged in advance of the spring break-up for equipment, camps and supplies throughout the whole distance, and if not prevented by further delay in obtaining consent to take possession of Crown lands in the Province of Quebec it will complete the railway to Osisko Lake before the end of the year.

The Company, with the concurrence of the Government of Ontario, took possession of the necessary Crown lands in that province, and has proceeded with construction until it has reached the provincial boundary, a distance of some 7 miles. The remaining 30 miles cannot be constructed unless and until consent is given to entry on necesary Crown lands in Quebec. The Company submits that the Dominion Parliament having granted a charter authorizing the construction and operation of a line of railway, which throughout a substantial portion of the distance can only be built on Crown lands in the province of Quebec, a refusal of consent under section 189 of the Railway Act will render altogether nugatory the power conferred by Parliament on the Company; and a temporary withholding a consent will prevent the completion of the work within the year. The Company is ready and willing to pay compensation for any Crown lands required for the railway.

The Company submits there should be no further delay granting the petition filed with the Minister of Railways and Canals on 31st March, 1925.

That petition was filed with the Government on the 31st March, 1925, and up to date no Order has been passed by the Governor in Council, without which I understand it is impossible for the railway to proceed. It may not be known to a good many members of this House that the building of this railroad is even more in the interest of the Province of Quebec than in that of the Province of Ontario, which will benefit to a small extent, while Quebec stands to gain very much more than any other part of Canada. I submit that a great mistake has been made by some person in preventing this railway from being completed at once.

As intimated by the letter of the solicitors of the railway, it is now practically built up to the boundary line between Ontario and Quebec, and if it should be decided by the railway company that because of this obstruction they will not go on further with the road, the Province of Quebec will lose millions of dollars. I venture to say that the obstruction has come from the Province of Quebec because other parties have offered to build a railway into Rouyn from the Transcontinental line. It was thought at one time that this could be done by a road of only 50 miles, but it has been since learned that owing to the topography of the country that is impossible, and a line several miles longer than the first contemplated will have to be built.

There is this further point, that when that road is built into Rouyn at a heavy expenditure, it will only touch a fringe of the mineral belt. In order to get into the mining section it will have to be built 30 miles east, and also 30 miles west, which would make this road over 110 miles long. Even then the road would only serve the same purpose which the Central Nipissing would serve by building 50 miles in Quebec, because it goes right through the mineral belt.

The advice given to obstruct this road is certainly bad, because millions of dollars are available to be poured into that locality for mining purposes by men who have learned the game of mining in the northern part of Ontario. Those men are now turned away on account of this obstruction, and it will be years before a road will be got in there from any other locality.

Why should the Department of Railways and Canals be withholding this order at present? I understand the procedure they might adopt is to have an Order in Council passed subject to the Province of Quebec indicating whatever objections it has to it; but though these papers were filed on March 31, no Order in Council has issued from the Department.

The two Provinces being interested in this natter—the Province of Ontario owning the railway, and the Province of Quebec being a party to the territory it is entering, it seems to me that any dispute could be easily adjusted. This should be done, because already the bad feeling caused in certain quarters could be allayed by giving this railway the rights which it evidently possesses through having obtained this charter.

Hon. Mr. BEIQUE: Honourable gentlemen, the territory referred to is in the Province of Quebec, and is deemed to be very valuable from the point of view of mining industries: it is thought to be another Cobalt, and may possibly be greater than Cobalt. There is a difference between the Provinces of Ontario and Quebec in regard to this territory. The Province of Ontario would like to secure whatever business is to be derived therefrom, while the Province of Quebec thinks it should be allowed to keep its wealth within its own territory. That is the situation.

within its own territory. That is the situation. I suggest that the honourable gentleman reverse the proposition. Suppose that when Cobalt, in Ontario, was to be opened there had been an attempt on the part of the Province of Quebec to draw its wealth to that Province; I think there would have been on the part of the Province of Ontario an outcry, which would have been very well founded. I think each Province should be allowed to keep its wealth in its own territory without interference. That is the whole situation, and I cannot appreciate the objections of my honourable friend.

Hon. Mr. GORDON: It appears to me that that is a very narrow view to take.

Hon. Mr. DANDURAND: I would remind my honourable friend that this matter cannot be settled by the Senate of Canada. In view of the protest against the building of this railway into and across provincial Crown lands in the Province of Quebec, and the affirmation that the Company had no legal right to build it without the consent of the Government of the Province of Quebec, what could the Government of Canada do but refer the matter to the Supreme Court? It has done so; therefore we must wait till that Court pronounces on the question.

Hon. Mr. GORDON: I asked for a return of all the papers and correspondence in this matter, and I find no intimation in them that this matter has been referred to the Supreme Court.

Hon. Mr. DANDURAND: My honourable friend may think that I should have information on all the matters that pass in Council, but I refer to my honourable friend the leader of the Conservative party in this Chamber. When he was in the position which I now occupy I remember fairly well that in the last weeks of the Session he had hardly time to have his meals, and none to go to The information I give to my Council. honourable friend I have gathered in the press, or perhaps in reports of what has taken place in another place. My honourable friend would perhaps like to see the Order in Council, and if so I will try to get it.

Hon. Mr. GORDON: Has an Order in Council been passed?

Hon. Mr. DANDURAND: As far as I have been informed through ordinary channels. A statement has been made in another place, and I would be very much surprised if my memory failed me in stating that the matter had been referred to the Supreme Court.

Hon. Mr. GORDON: The last letter the solicitors had from the Department would indicate that no Order in Council has been passed.

Hon. Mr. DANDURAND: I will get that information before 8 o'clock to-night.

Hon. Mr. GORDON: If in order, I would like to say to the honourable gentleman from De Salaberry (Hon. Mr. Béique) that the view he has taken of the situation is rather a narrow one for a gentleman who has always shown himself to be broad-minded. Railroads, particularly those with Dominion charters, are supposed to be built for the general advantage of Canada, and it would be absurd for any province to say that it would not allow the track of a road to enter its territory because it might bring a little trade to a town in another province.

As an illustration of how the Ontario Government looks upon such a situation, I may say that only two years ago it allowed the British American Nickel Company, which was then operating at Sudbury and wished to erect a very large plant for the purpose of refining nickel, to erect that plant in the province of Quebec.

Hon. Mr. BEIQUE: That is not a similar case at all.

Hon. Mr. GORDON: To my mind it is. On questions of this nature I think it would be far better for all the provinces to consider that they are a part of Canada.

NEW CANADIAN FLAG ANSWER TO INQUIRY

Hon. Mr. DANDURAND: Honourable gentlemen, I was asked this morning to produce the Orders in Council concerning the design of a Canadian flag. Here is the Order in Council of April 23, 1925:

Hon. Mr. DANDURAND.

The Committee of the Privy Council have had before them a Report, dated 21st April, 1925, from the Minister of National Defence, stating that a distinctive Canadian Flag has been authorized to be used by Canadian Government owned vessels and by other vessels of Canadian registry, and that there is through-out the country a desire that there should also be adopted for use ashore a distinctive Flag which shall be recognized as the Flag of the Dominion of Canada.

be recognized as the Flag of the Dominion of Canada. The Minister, therefore, recommends that a com-mittee be appointed to consider and report on the most suitable design that should be adopted for a Canadian National Flag for use ashore, and that this committee be composed of the following: G. J. Desbarats, Esq., C.M.G., Deputy Minister of National Defence—Chairman.

Thomas Mulvey, Esq., B.A., K.C., Under-Secretary of State.

A. G. Doughty, Esq., C.M.G., L.L.D., Dominion Archivist.

Commodore Walter Hose, C.B.E., A.D.C., Director of the Naval Service.

Major-General H. A. Panet, C.B., C.M.G., D.S.O., Adjutant General.

Group Captain J. S. Scott, M.C., A.F.C., A.D.C., Acting Director of the Royal Canadian Air Force.

The Committee concur in the foregoing recommendation and submit the same for approval.

(Sgd.) E. J. Lemaire, Clerk of the Privy Council.

Another Order in Council was passed on the 20th of June:

The Committee of the Privy Council have had before them a report, dated 20th June 1925, from the Minister of National Defence, submitting that in accordance with of National Detence, submitting that in accordance when representations made in Parliament by the Prime Minister on the 17th June, 1925, with respect to the procedure that should be followed in regard to the question of the adoption of a Canadian National Flag for use ashore and that it is desirable that the matter should be decided by Parliament before any action should be taken thereon by a Committee, and recom-mending for these reasons that the Order in Council of the 23rd April, 1925 (P.C. 623) appointing a Committee to consider and report on the most suitable design for a Canadian National Flag for use ashore, cancelled.

The Committee concur in the foregoing, and advise that the said Order in Council be cancelled, accordingly.

So very likely a Committee of the House of Commons or a Committee of the Senate can examine this matter next Session.

PENSION BILL

CONSIDERATION OF MESSAGE FROM HOUSE OF COMMONS

The Senate proceeded to consider the Message from the House of Commons disagreeing to certain amendments made by the Senate to Bill No. 70, an Act to amend the Pension Act.

Hon. Mr. BELCOURT moved:

Resolved, that the Senate doth insist upon its 17th amendment to Bill 70, an Act to amend the Pension Act, but doth not insist upon its 13th, 14th and 15th amendments, to which the House of Commons hath disagreea.

He said: Honourable gentlemen, the House of Commons has refused to accept a number of the amendments which were made by the Senate Committee and subsequently adopted by this House. There are three amendments upon which the Commons are in disagreement with the Senate, and which they insist should be withdrawn.

The Committee has instructed me to report that on two of these amendments we would not insist, but there is one on which we do insist, namely our amendment of this section:

16. Subsection one of section eleven of chapter sixtytwo of the statutes of 1923 is repealed and the following subsection is substituted therefor:— "11. (1) Upon the evidence and record upon which the Read of Denis Commission groups their desirily

"11. (1) Upon the evidence and record upon which the Board of Pension Commisioners gave their decision an appeal shall lie in respect of any refusal of pension by the Board of Pension Commissioners on the ground that the injury or disease or aggravation thereof resulting in disability or death was not attributable to or was not incurred during military service or was the result of misconduct."

We have amended that clause and the House of Commons is not prepared to accept our amendment. The Committee recommend insistence on the part of this House, with respect to our amendment.

Hon. Mr. DANIEL: Do I understand the honourable member to state, with regard to section 16, that the Commons wish us to withdraw our amendment by which we struck out the last six words, "or was the result of misconduct"?

Hon. Mr. BELCOURT: If honourable members wish, I will state the reason why, in the opinion of the Committee, we ought to insist upon that amendment. The Act provides that there shall be no pension where the disability is the result of vicious conduct on the part of the soldier. Apparently a controversy has arisen between the Pension Board and the Appeal Board on that subject. Mention has been made, for instance, of a case in which the Pension Board found that the disability was the result of misconduct. The case was appealed, and the Appeal Board found that the disability was not the result of misconduct. On a diagnosis furnished to the Pension Board it was claimed that it was the result of pneumonia or some other disease. The purpose of the amendment moved and adopted in the Senate Committee was to protect the Public Treasury to a considerable extent, and for that reason we think we ought to insist upon our amendment.

Section 3 of the Bill reads as follows:

3 Subsection five of section twenty-three of the said Act is repealed and the following is substituted therefor:--

for:--"(5) The children of a pensioner who was pensioned in any of Classes 1 to 5 mentioned in Schedule A and who has died, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not, provided that the death occurs

within ten years after the date of retirement or discharge or the date of the commencement of pension."

If I remember correctly, the provision with regard to a case of this sort was five years. The five years have expired, or are about to expire. The purpose of the provision making the period ten years was to grant a delay of five years more, during which the clause might apply. The Committee has come to the conclusion that it is not imperative or essential to insist upon our amendment, and that it should be waived; that is, in other words, we should agree with the Commons.

Section 9 is a similar provision, but is applicable to a widow, whereas section 3 applies to the children of a pensioner. The same principle is involved. Under the same circumstances and for the same reason we think we ought not to insist on our amendment to section 9.

Hon. Mr. DANDURAND: I agreed with the view held by the honourable Senator from Edmonton (Hon. Mr. Griesbach), that we should allow the appeal to the Appeal Board in cases where the Board of Pension Commissioners had declared that death was due to misconduct. I thought we should not insist upon the amendment submitted by the Com-. mittee.

Hon. Sir JAMES LOUGHEED: This is a fair exchange. We have to give way on some points, and I think this is the better one to yield. In this way, under sections 3 and 9, we make provision for the widows and the children.

Hon. Mr. BELCOURT: The only amendment upon which we are insisting is the one to which the honourable leader of the Government (Hon. Mr. Dandurand) has just alluded. We insist upon the provision with respect to misconduct remaining in the Act. The House of Commons want that clause stricken out and are insisting upon their own provision.

The motion was agreed to.

AUSTRALIAN TRADE TREATY BILL MOTION FOR SECOND READING

The Senate resumed consideration of the motion of Hon. Mr. Dandurand for the second reading of Bill 238, an Act respecting trade relations with Australia.

Hon. Mr. DANDURAND: I would ask that Mr. Russell, of the Finance Department, come to the floor.

Hon. EDWARD MICHENER: Honourabic gentlemen, before the adjournment I rose to second the amendment presented by the honourable member from Wentworth (Hon. Mr. Smith) that the reduction of duty on goods admitted into Canada under this Treaty should not apply to goods upon which any bounty has been paid by the Australian Government. The honourable leader of the Government, however, informed us that these bounties have all expired. Is that correct?

Hon. Mr. DANDURAND: These bounties have lapsed, according to the Australian Year Book, which I have before me. But I may give this further information to my honourable friends who are interested in this aspect of the Treaty—and they are not alone—that if any bounty applied to any class of goods having the advantage of the Treaty, they would be met by the anti-dumping regulation. I speak of bounties on goods for export.

Hon. Mr. MICHENER: I was going to speak on that aspect; but I presume that, in view of the fact mentioned by the honourable leader, the honourable member for Wentworth will not insist upon his amendment.

While on my feet, however, I wish to make a few observations, as briefly as possible. The honourable member for Wentworth presented some serious disadvantages with respect to certain phases of the Treaty, particularly regarding the dried and canned fruit business. We produce something like \$30,000,000 worth of fruit in Canada. I do not wish, however, to traverse ground that has been covered so ably by the honourable member for Wentworth, but will refer more particularly to certain phases of mixed farming, especially dairying and stock raising, in which we in the Province of Alberta are very much interested.

There were distributed among us just before adjournment copies of a circular from the Canadian Pulp and Paper Association, setting forth the advantages of this Treaty to the pulp and paper industry. We are told that trade for that industries is available in Australia to the extent of \$7,500,000, whereas the value of pulp and paper manufactured in the Dominion of Canada is \$140,000,000 a year, and the industry, it is urged, has a capital investment of \$400,000,000. It is of course an important industry in Canada and is worthy of every consideration; but I wish to contrast the advantages that are to accrue to that industry with the disadvantages that may accrue to some phases of mixed farming throughout the Dominion.

We have invested in live stock in the Dominion of Canada—principally dairy cattle, stockers, hogs an sheep—\$1,292,000,000.

We all know the disadvantages of our climatic conditions in the winter Hon. Mr. MICHENER. time, and the advantages enjoyed. in that respect by Australia. The Australians pasture their stock the year around. Their meat can be raised much more cheaply than ours.

With regard to the dairy industry, in the Province of Alberta in 1900 we produced only \$123,000 worth of butter, but last year, 1924, we produced nearly \$10,000,000 worth. The farmers of Western Canada no longer expect to make their fortunes quickly out of graingrowing, but are coming down to a solid basis of mixed farming, particularly dairying and stock raising. Dairying is an industry which at present prices is not very profitable, though it is true it provides a living for the farmer and his family for 365 days in the year. In the Province which I represent the farmers have gone more and more into dairying. They have equipped their places with good warm barns; they have installed silos, and in many cases milking machines, and all the equipment of a modern dairy. To-day Alberta produces butter which is second to none in any part of the world, and this is largely due to the fact that the nights in that part of the country are cold and there is a moderate climate in the summer.

As I have stated, there is very little profit in the dairy business at present prices, and even a very slight reduction of duty, opening our home market to products of other countries which can produce more cheaply, is a serious matter for the people of Alberta. I wish to call particular attention, honourable gentlemen, to this fact, that in the winter time, when we in Alberta produce butter at a maximum cost, Australia is enjoying its summer season and can produce at the minimum cost. So the advantage given to Australian farmers, with respect to the butter especially, of 3 cents a pound, makes it possible for them to flood our markets with their summer butter, produced at a minimum cost, and it comes into competition with our winter butter, produced at a minimum cost. This must have one of two effects: it must either reduce the price of our butter in our home market or discourage the dairying industry in that Province to a very large extent. Instead of the Government reducing the protection which the farmers now have upon those basic products of agriculture, there is an immediate need, it seems to me, of increasing the duties so that they will be more in line with those imposed by the United States. The honourable member for Wentworth (Hon. Mr. Smith) showed this morning how the farmers of Canada might have been protected, and how justice could

still have been done to Australia under the Treaty. But such a provision has not been made.

The farmers of Alberta are having a hard time getting along at present, and their difficulties are largely owing to the tariff. In Alberta there was a profitable business done in shipping hay, for example to Pacific coast points; but, because there was not sufficient duty upon the coarser grains, the product of the State of Washington was shipped by boat to Vancouver and Victoria, and had an advantage there, over Alberta hay because the American producers did not have the long mountain haul which confronted the farmers of Alberta. In that way they were able to undermine the business carried on by the Alberta farmers. A few years ago we sold our rough cattle, our stockers, on the Chicago market; to-day the duty shuts us out of that market.

Now the Government say we will sacrifice still further the farmers of Alberta by encouraging competition in the few things that they have left from which to make a bare living; we will open the home market to the farmers of Australia, who can raise their stock for half what it costs us to raise ours, and who can produce their butter at a minimum cost when we are producing at a maximum cost. To what extent this will affect the dairying industry and the stock-raising industry I am not prepared to say, but I am certain that the effect will be very detrimental. For one thing, it will discourage mixed farming-dairying and stock-raising-in that Province, and I presume it will have a similar effect throughout the Dominion of Canada. I notice that in the Province of Ontario to-day there is not the production of dairy products that there was a few years ago. The farmers need encouragement rather than discouragement; they need advantages rather than disadvantages. It does seem to me, honourable gentlemen, that we are sacrificing the farming interests of this country for the benefit of a few capitalists who may find a market for \$7,500,000 worth of paper and pulp. Are we going to sacrifice the markets of all the farmers of this Dominion, amounting to about \$300,000,000 in dairy products alone, and hundreds of millions in stock, simply to give a few capitalists another market for their paper and pulp?

It does seem to me that we are taking an unfair advantage of the farmers of this country, in exposing them to an unfair competition. For these reasons and others that I could mention, and which will probably be enumerated by other honourable gentlemen, I do not see how I can support this Treaty as it stands. It seems to me that the benefits under it are not at all commensurate with the disadvantages that will accrue to the country.

Hon. R. H. POPE: Honourable gentlemen, we have said over and over again in this House, and it has been repeated from year to year since I came here, and I presume the same is true of the years before that, that the Government of the day does not give us an opportunity of studying the important measures when they come to us from the other House at the close of the Session. If that is true of ordinary Bills, and it has been true. it is more than true of this one, which will affect the majority of the producing people of Canada. This Treaty can have no other effect than a detrimental one upon the great farming community of this country. I care not whether they be east or west, there is not a clause, not a word, in this Treaty that is in favour of our great agricultural community.

Some of us have found fault because a Progressive Party or a Farmers' Party was organized; but when I see how little consideration is given by either House of Parliament to the most important of all the industries of Canada, I am not surprised or disappointed that there has sprung up in this country a third party in the political field, misguided though it may be. The neglect of the welfare of the farming community by the old parties, both Liberal and Conservative, is responsible for the division that has taken place. I resent most emphatically the idea that it is possible for a Government to bring before us in the last two days of the Sessionand not only before us, but before the public and the business men of Canada-a Treaty which it knew of last October and which was prepared months and months ago. It is almost inconceivable that such a thing should be possible in what we call a constitutionallygoverned country, and that the people should be asked to have confidence in any Administration that would direct such a blow at the country life of Canada. Honourable gentlemen have stood up in this House and in another place on this and on previous occasions, and have stated, and we have read in the press and in the magazines of the country, that something must be done to keep the farmers' sons upon the farm, to bring immigrants to this country and place them upon the land. And to think that almost in the same breath, without public notice, in a cowardly manner-

Hon. Mr. DANDURAND: Order.

farming community of the Dominion! It may not appear so to others, who do not live in the country as I do, and who have not seen family after family leaving the country and parish after parish deserted by the farmers, but it is astounding to me. There is no use saying that the people are not leaving the land. Any man who lives in any parish in the Province of Quebec, or in any constituency in Ontario or the West, knows that people are compelled to leave this country of ours; and, in the face of that, without a word of warning, the Government comes down with this new proposition for trade with Australia. Australia, did I say? No, not Australia alone, because clause 5 says:

Subject to the provisions of the customs tariff, 1907, the Governor in Council may, by Order in Council, extend the said advantages to goods the produce or manufacture of any British country.

We are not opening the door to Australia alone; we are opening the door to all British countries. Let me read a list of them:

United Kingdom, Aden, Australia, Barbados, Bermuda, British East Africa, British South Africa, British West Africa, British Guiana, British Honduras, British India, British East Indies, British West Indies, British Oceania, British Strait Settlements, Ceylon, Fiji Islands, Gambia, Gibraltar, Gold Coast, Hong Kong, Jamaica, Malta, Newfoundland, New Zealand, Nigeria, Palestine, Sierra Leone, Trinidad, and Tobago.

There are 29 in all. If you pass this Bill you are giving the Government power to do that, and if they are so indifferent to the interests of the people of Canada as to bring down this measure without giving us an opportunity of studying it and knowing something about it, they are quite capable of opening the door to any of those people. you will find dutiable goods amounting to \$157,000,000 and free goods amounting to \$37,000,000 coming into Canada from those countries. Therefore we are opening the door to all British possessions.

Hon. Mr. DANDURAND: That is a good word.

Hon. Mr. POPE: British possessions is a good word, and there are certain people who stand for the permanency of the British Empire, and there are others who do not. We need not argue about that. We all know the story, and it need not be told over again.

Now, so far as this country is concerned, we are told that we cannot export certain products—butter, cheese and cattle. Why de we export them? It is because we produce more than we can consume. We do not export them for the fun or the pleasure there is in it; we export them because we are compelled to export.

Hon. Mr. DANDUDAND: For profit. Hon. Mr. POPE.

Hon. Mr. POPE: Not always for profit. If we have not a home market for the goods here, we are bound to grow indifferent. We are bound to have indifferent farms, and they are not exported for profit. What do you do? You make a Treaty with a country called Australia, where you can buy beef for \$1.75, or an animal from \$15 to \$17, and a firstclass steer for \$22 or \$25. I know what I am talking about. And you are going to ask us to compete simply because we have a surplus of certain things to export. I am surprised at the Finance Minister saying that if he thought this Treaty would interfere with the people producing butter and cows in his County of Chateauguay-Huntingdon, which he said was the second largest county in that regard in Canada, he would not present the measure. Well, if that is the basis upon which national affairs are to be conducted, then I say every honourable gentleman in whose community there are farms is bound to take into consideration local prosperity and to keep in mind every individual in his community who cultivates the soil. But we know that if it were not for the fact that the milk taken from the county of Chateauguay-Huntingdon was consumed in Montreal, a half or a quarter of the cows would not be there. The local market of Montreal takes care of that industry for more than 100 miles around. It is the local market in which we dispose of 90 per cent of the agricultural products of this country, and if it were not for the wheat which we export, the figure would be nearer 100 per cent, and there would be very little in proportion to the total production that we would not consume ourselves. It is quite true that we ship a certain amount of butter when we are obliged to. We do not ship it because we want to or because we get more for it, but because, during a couple of months of the year, we have not a market for it in Canada. The same is true with regard to cheese. But is that any reason why we should open our doors for twelve months in the year and submit to the competition of a country which can produce cheaper than we can?

There is no use saying that we can produce agricultural products as cheaply as they can be produced in Australia and New Zealand with their milder climate. Look at the arrangement and see what it is. Take fresh meat, for instance. If you want to send it to Australia you have to pay 5 cents a pound on it, but when the Australian shippers send it here they pay only $\frac{1}{2}$ cent a pound. On canned meat we pay 5 cents a pound, they pay 15 per cent on onions we pay \$1.50 per hundred; they come into Canada free. On canned fruits in pint tins we pay \$1.00 per dozen, or $8\frac{1}{2}$ cents per tin or pound; they pay $\frac{1}{2}$ cent per pound. On canned tin in quart tins we pay \$2.12 per dozen, or 17 cents per tin of 2 pounds and they pay $\frac{1}{2}$ cent per pound. On canned vegetables we pay 30 per cent ad valorem; theirs comes in free. On fresh vegetables we pay 50 cents per hundred pounds; theirs come in free. On beeswax we pay 2 cents per pound; their comes in free. On honey we pay 4 cents a pound; they pay 1 cent a pound. On butter we pay 6 cents per pound; they pay 1 cent per pound. On cheese we pay 6 cents per pound ; their cheese comes in free. On eggs we pay 18 cents a dozen; their come in free. On dried apples and peaches we pay 8 cents per pound; they pay 10 per cent. On lard we pay 4 cents a pound; theirs comes in free. On tallow we pay \$1 per hundredweight; they pay 10 per cent.

Then, I will take some other articles to show how Australian production is protected. On wheat we pay 50 cents per hundred pounds; on flour 62 cents per hundred pounds; on fresh fruits \$1.50 per hundred pounds; on bacon and hams, 8 cents per pound; on biscuits, 4 cents per pound; on jams and jellies, 6 cents per pound; on condensed milk, 5 cents per pound. And to-day we have stored away in the Dominion of Canada 15,000,000 pounds of New Zealand cheese, ready to compete with the cheese we produce in this country.

If we must make a Treaty with Australia, for Heaven's sake why was there not an effort made to obtain reciprocal treatment? Are we not entitled to fair play? Is the farmer of this country not entitled to the consideration of this Government just as much as is the man in Australia or in other countries that we make this contract with. This Treaty leads on and on. It is not finished to-day.

A great effort has been made to impress us in regard to the pulp and paper business of The pulp business for Canada in Canada. Australia has never amounted to much, because we have always been beaten out by treaty. The consumption of paper in Australia in 1924 was about \$15,000,000 worth, while ours, it is said, dropped to \$800,000. It had dropped to about \$1,500,000 in previous years, after the 15 per cent preference was given to England. We have not a monopoly of the supply of paper. Sweden, Norway and Denmark are all doing business in that line in Australia. They have no preference, yet they have increased their business. Canada is the only country which has dropped behind, and we seem to have suffered from the 15 per cent

preference given to England. We all know that England is not a centre for the manufacture of raw paper; she deals in paper as in wool and many other things, because of her shipping facilities in reaching the world markets.

I am anxious that the pulp and paper industry of this country should have its chance; but I am sure the gentlemen who are interested in that industry, which has been encouraged in various ways. would not care to combine against the success of the agricultural industry of this country.

I believe that if the publishers of newspapers fully realized the immense danger to agriculture involved in this Treaty, they would publish articles placing the agricultural community and the business men of Canada in touch with the real situation.

Take the question of mutton, for instance; Australia does not care the snap of her finger for that. She cares for wool, and if she gets. 50 cents or \$1 for a sheep, it is clear gain. If she can send those animals over and net \$3 here, she is well satisfied. But as those animals come in, down go the prices of ours, and the same remark applies to cattle.

We are dealing with a nation that must have a perfect system of cold storage, because all its products have to go long distances, to England and Central Europe. Those products go to nations of delicate taste, which have been fed on the best of what Europe could produce. Under these circumstances, Australia must produce the best. That country took instructors from us 15 years ago, to raise the standard of its product of butter and cheese, so that to-day, I say without hesitation, its product is equal if not superior to much that we produce, and it takes high rank in the markets of the world. We are making a trade with a nation that has learned how to produce much better than we do; that spends millions in the refinement of its product.

We tie our cattle up from October until the middle of May or the first of June of the next year, and must be fed by hand with products that cost money to produce, that have had to be sown and fertilized, mown and raked, pitched and put into the barn. If the Canadian farmer is feeding for milk, he must feed bran at \$30 a ton, and meal at \$40 or \$50 a ton. Is this Government justified in opening up competition against us by a country where cattle are at grass the year round, where there is no hand-feeding required, and no expense for stabling, while Canadian farmers must build solid barns and other structures, and invest \$5,000

\$10,000 or \$15,000 in addition to the price of the farm in order to take proper care of their stock? By this Treaty you will open wide the door and bring us into competition with those people, when our farmers are working day in and day out in order to make a living, and having a difficult job to do that. I know whereof I speak. There is no pleasure or profit in farming to-day. Our farmers are struggling, and many have not been able to keep going. With the foreign markets as they are now, the home market is the real market, after all. But we are saying to the farmers of Canada: "Thou shalt prosper by having the home market opened up to the cheapest producing nation in the world, who will drive you from the market of your own land." By this policy you will drive the farmers off their land. This is no imaginary statement: it is an absolute reality to-day. And yet we have chattered over this Treaty for two days.

Hon. Mr. DAVID: Will the honourable member tell me if the farmers and the different Boards of Agriculture in the country have protested against this Treaty, and against that competition which they fear so much?

Hon. Mr. POPE: I have made objections to this Treaty for the very reason that nobody in the country knows anything about it, and we do not know very much ourselves. We want three days in which to study it. The man in the country has had no time at all, and I say you are taking an unfair advantage of him; you are putting both hands under in order to throw him; you do not even give him a fair backhold to wrestle in this great contest that is before us. I say we are taking great risks. We talk of this country being settled with honest, moral people of good character, but they are not allowed to sell their neighbour what they produce. Yet the man from Australia, from New Zealand, from Africa, from anywhere, can send his produce in here.

Why does the Government do this thing in the face of what has been going on in Canada for the last two or three years? Half a million people have left us. They did not leave because they wanted to, but because they had to. Every factory that closes, every one that goes out of business in the great centres, gives a rap at the possibility of agriculture. Every farmer in our country knows that the home market is his real market, and every time you close the door in any of the great centres you injure the farmer. I do not wish to criticize the pulp and paper people, but they are wiping out a very valuable asset, and very few of them are doing anything to replace it. They are cutting down the primeval forest that was left by our grandfathers, and very few are reforesting. Every time we ship away 100,000 cords of pulpwood, or tons of news paper, we are shipping away valuable assets from this country. On the contrary, if you give agriculture an opportunity, and give farmers a chance of a livelihood, you have manure piles behind the barns, so that instead of taking away from the fertility of the soil you are giving everything back in return.

Hon. Mr. DAVID: Are the farmers content with the home market for their products?

Hon. Mr. POPE: Absolutely. In the days gone by they were misled by political intrigu., and were told that protection was only for the big interests, for the capitalists. I did not intend to go into that matter. Sir Wilfrid Laurier came into power in 1896, at a time of prosperity, and that remained until we had a panic in 1907. The world had 14 or 15 years of wonderful prosperity. Sir Wilfrid Laurier did not lower the tariff. If he did anything to it at all he raised it a little, and a development took place. But now from one end of the country to the other the farmers have been feeling the pinch, because when taxes are paid the farmer must pay his portion, whether in the form of customs duties or excise, whether directly or indirectly. Then we had a great war, and things went down again. This Government came in, not in an era of prosperity, but two or three years after the war, and everybody knows what happens to any part of the world after a war, unless extraordinary effort* is put forward. France put forward an effort with a tariff; England has restrictions; Germany and Belgium and other countries have them, and are doing everything to protect themselves. We had a tariff for the farmers in 1878, and it was not disturbed until 1889, the last year of Sir John Macdonald, and he raised the tariff on meat from 1 cent to 3 cents a pound. These are the only two things that were done for the farmer, both by Sir John Macdonald. the first in 1878, and the last in 1889.

I would like to put on Hansard the exact duties that this Treaty carries with it, so far as agriculture is concerned. I think the list should be made available in order that anyone taking the trouble to look at Hansard will find the position in which we are placed.

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Hon. Mr. POPE.

JUNE 25, 1925

ustralian Tariff Item.	Articles.	British Pref. Tariff.
51	Fish, viz.:-	and and an
	(B) Fresh, smoked or dried (but not salted), or preserved by cold process(C) Preserved in tins or other airtight vessels including the weight of liquid	1d.
	contents	1d.
	(D) Potted or concentrated, including extracts of and caviaread. val. (E) N.E.I	25 per cent 5s. 2s.
334	Paper, viz.:— (C) (1) News printing, not glazed, mill-glazed or coated, in tolls not less than 10 inches in width or in sheets not less than 20 inches by 25 inches or	
	its equivalentPer ton (2) Printing, n.e.i. (glazed, unglazed, mill-glazed or coated), not ruled or printed in any way in rolls not less than 10 inches in width or in sheets	Free
	not less than 20 inches by 25 inches or its equivalent	Free
	(3) Printing, n.e.iad. val. (F) Writing and typewriting paper (plain), not including duplicating.	15 per cent
	(1) In sheets not less than 16 x 13 inchesad. val. Deferred dutyad. val.	5 per cent 20 per cent
110	Apparel, articles of, viz.:	
152	 (C) Corsets	40 per cent
	boiler tubesad. val.	5 per cent
328	Deferred dutyad. val. Goloshes, rubber sand boots and shoes and plimsollsPer pair	35 per cent 1s. 9d.
040	Orad. val.	18. 9d. 30 per cen
359	 Vehicle parts, viz.:— (D) Parts of vehicles with self-contained power, propelled by petrol, steam, electricity, oil, or alcohol, n.e.i., whether incorporated in the complete vehicle or separate, viz., (4) Chassis, but not including rubber tires:— 	station of the
	(a) Unassembled	$7\frac{1}{2}$ per centre 10 per
	axles, n.e.i., springs, hoods, wheels n.e.i. and bodies n.e.iad. val.	50 per cent

That is where we are supposed to get our great advantage. Then, here are some of the

advantages we give to Australia in return:

Γariff Item.	Articles.	Tariff Rate.
7	Meats, fresh, n.o.pPer pound	1/2 cent
8	Canned meats, canned poultry and game; extracts of meats and fluid beef not	
13	medicated, and soups of all kinds Lard, lard compound and similar substances; cottolene and animal stearine of all kinds, n.o.p	15 per cent Free
14	Tallow	10 per cen
15	Beeswax	Free
16	Eggs.	Free
17	Cheese	Free
18	Butter, per pound	.1 cent
86	Tomatoes and other vegetables, including corn and baked beans, in cans or other air-tight packages, n.o.p., the weight of the cans or other packages to be in-	n voqo
07-	cluded in the weight for duty	Free
87a 93	Onions in their natural state Apples, dried, desiccated or evaporated, and other dried, desiccated or evaporated	Free
97	fruits, n.o.p.	10 per cen
97 99c	Pears, quinces, apricots and nectarines, n.o.p., per one hundred pounds Raisins and dried currants	25 cents
99C 105	Fruits in air-tight cans, or other air-tight packages, n.o.p., the weight of the cans	Free
100	or other packages to be included in the weight for duty	1/2 cent
108	Honey in the comb or otherwise, and imitations thereof	1 cent
781	Fruit pulp, not sweetened, when imported by manufacturers of jams or preserves	2 cent
	for use only in their own factories in the manufacture of jams or preserves	Free

REVISED EDITION

The Department of Agriculture spent last year about \$900,000 in sending agents throughout the Dominion to teach us how to sort eggs-how to tell a small one from a big one; how to look after our bees; how to improve our stock by better breeding, better feeding, getting rid of tuberculosis, etc., etc. When I mention \$900,000 I refer to travelling expenses; I do not mean the salaries of those officials. The Department of Agriculture engages large numbers of these young men, who are respectable, I presume, to go about teaching us how to farm. Yet we are telling Australia that their goods may come in free and they may take our market. What is the use of education if this Treaty is to be put into force and if fruit and honey and butter and cheese and all these products may come into Canada free? Why should the Department of Agriculture of Canada spend \$900,000 on the travelling expenses of officials, who have been, I may say, more or less an annoyance? I do not blame the young men, because if they did not have those positions they would have had to go to the United States to look for jobs. I do not blame them for occupying positions in Canada when they can get them. It is patriotic for them to remain in this country, even though their work may be disagreeable to the farmers.

What has been the use of our past efforts to improve the quality of our goods-efforts which might have led to some success? I remember quite well, as though it were yesterday, our great endeavour to improve the quality of our exports of butter and cheese to suit the palates of the people in the Old Country and the requirements of different markets. We succeeded to a certain degree, though not too well at any time, but now, after what we have accomplished, we are told that the way for us to get rich is to bring into this country products which will inevitably compete with our own. I do not think that for the sake of a newsprint trade amounting to \$7,000,000 we are warranted in opening up a market of \$200,000,000 or \$300,-000,000. With the exception of wheat, our exports are not very great, and during the war there was a scarcity of agricultural products and we had to import a large quantity because we did not produce enough. We did not have to import any beef. If we had an agricultural policy that would develop the natural resources of this country the farmer would stay on the farm and would keep his son there, and agriculture would be carried on from generation to generation upon a good, sound, profitable basis. The increased population in Canada would be sufficient to con-Hon. Mr. POPE.

sume a large proportion of the products we are now exporting. Mr. Robb offers this wonderful argument, that we are exporting, therefore we should import. I say, export, but do not import, and I repeat, it is an absolutely fatal mistake to open up the Dominion of Canada to a country that enjoys the advantages of summer production during our winter period.

We had a reciprocity proposition placed before us in 1911. Fortunately it was defeated by the people of Canada. At the time I studied the question very closely. T remember there was in that proposed reciprocity treaty a favoured-nation clause, which permitted Australia, New Zealand and other countries to send their goods into this market. So far as cost of production was concerned, I considered that the effect of that clause in letting in goods from Australia and New Zealand would prove more injurious to us than the entry of beef from the United States. The danger in regard to the imports of beef from the United States was, that large quantities would be handled very cheaply by two or three central organizations, who could withstand any sort of competition. While that would have hurt us, it would not have done the same injury as the bringing in of goods from Australia.

The Australian Minister of Trade and Commerce, Mr. Pratten, states:

I feel confident, however, that an impartial examination will lead to the conclusion that the proposals will provide an extended market for our surplus primary products.

I suppose we all know what "surplus primary products" means. They include butter, cheese, etc.

-the disposal of which is causing us so much anxiety at the present time, but that the successful exploitation of this extended market will call for an organized and sustained effort on our part to gain the trade from present suppliers, chiefly the United States.

Under the proposed agreement the Commonwealth grants to Canada reductions of duty on twelve items, while the Commonwealth receives reductions on fourteen main and six minor items.

Their desire is to dispose of their primary products and extend the market for those products. Canada has all this agricultural organization, at home and abroad. We have agents in every country trying to extend the trade of Canada and to open up wider markets for our primary products, as well as the products of our industries. While we are doing all that, we are opening the doors for the entry into this country of the primary products of a country that can produce at 50 per cent of the cost of production in this country.

I will say no more. I feel that I have kept you too long, but I could not allow this proposal to pass without expressing my opinion upon it. I wish I had power to control this Senate. If I had, this measure would be deferred for six months or until such time as the people of Canada, especially the farmers, who are more interested than any others; should have an opportunity of learning what this Treaty is. It would not injure the pulp and paper business, or any other industry, if we delayed for six months before putting this Treaty into force, in order to study its effects upon the welfare of Canada.

Hon. J. P. B. CASGRAIN: May I ask the honourable gentleman just one question? I have listened to him very carefully, and I must say that I am at a loss to know whom to believe. In another place Hon. Mr. Crerar, ex-leader of the Progressives, who is just as strongly in favour of the Treaty as the honourable gentleman is opposed to it, has given very good reasons to show that it should not hurt the farmers. Now, how are laymen to know which is right? Perhaps the honourable gentleman from Bedford can tell us why Mr. Crerar takes one view and he has taken the opposite?

Hon. Mr. POPE: I can tell you one reason, if you would like to have it.

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. POPE: Mr. Crerar does not own a farm and never did; I have always owned a farm and do now. That is the difference. I am not a political machine.

Hon. Mr. CASGRAIN: Then the next question is this—and I think it also arises out of Mr. Crerar's speech. He says that Canadian cheese has to compete with Australian cheese in England, and has competed successfully, too, for years. Now, if we can compete with Australian cheese in England, surely we ought to be able to compete with it in Canada, when we do not have to pay the freight that is payable on cheese shipped to England.

Hon. Mr. POPE: Can the honourable gentleman give me any reason why we should compete in the home market? Do you not think that the Canadian citizen has a claim on the Canadian market? What are we paying taxes for, and why are we here? I absolutely object to the Canadian citizen being placed upon the same footing as the rest of the world, so far as the markets of Canada and the profits to be made therefrom are concerned.

Hon. Mr. WATSON: I would like to inform the honourable gentleman that Mr. Crerar was a farmer. S-45¹/₂ Hon. Mr. POPE: About as much a farmer as he was a blacksmith.

Hon. JOHN WEBSTER: Honourable gentlemen, I do not think I can be accused of speaking too frequently or taking up too much time in this Chamber, but this question is of such vital importance to the interests of the farming community, especially in the two Provinces of Ontario and Quebec, where dairying is carried on to a large extent, that I would not be doing justice to the tillers of the soil if I did not try to explain to the honourable members of this House who are not in a position to judge, the situation of the farmers in this country to-day.

You have just heard the honourable gentleman from Bedford (Hon. Mr. Pope) refer to the number of people who have left the farms. That movement is occurring not only in the Province of Quebec from which he comes, but also in the Province of Ontario, and the reason is simply that farming has not paid. The labour of the farmer is the poorest paid of any in the world to-day. I know of a farm within four miles of the town in which I live that was sold last week for less money than it would cost to build a house on it; and it is a good farm, too. That illustrates the situation of the farmer. He has had some very hard problems to meet, of recent years, particularly since the war.

Let us consider for a moment what the use of motor cars and trucks and the consumption of gasoline have meant to the farmer in this country. Motor cars have simply put the horses out of commission. There is no demand to-day for horses. The business road-horse has gone; the doctor's horse has gone; the mail carrier's horse has gone. To-day the farmer has to sell his surplus hay for whatever he can get for it, and if he is practical he will endeavour to feed it out at a profit. The fact that very few horses are used in the city, and that motor trucks and gasoline are used deprives the farmer of a market for his hay.

The honourable member spoke of the sheep trade. Many of you, honourable gentlemen, know what is done in Australia with a flock of old sheep that are not worth the transportation charges: they are driven down a precipice and drowned in the sea. They are not worth more than from 25 to 60 cents apiece. Many of you older men remember what was the price of wool when wool was admitted free into this country. The price of hides in my town was $1\frac{3}{4}$ cents a pound. The farmer to-day would have to sell about 12 hides at that price in order to buy a pair of boots for his wife. Is that dealing justly with the farmer?

We have been advised to encourage mixed farming in this country. The honourable member from Red Deer (Hon. Mr. Michener) has told you the situation with regard to the butter industry in Alberta. He has mentioned that Australian butter is coming into this country at a time when butter production here is at the maximum cost. In Australia they have no buildings to construct. You know that all the shelter given to cows in Australia is a rubber blanket used for about thirty days in the fall of the year. You could buy a good many rubber blankets in Canada for the money it would cost to construct a modern barn. As the honourable gentleman from Bedford (Hon. Mr. Pope) has said, we have encouraged young men to take up farming, and officials are sent out through the country to teach people how to farm, and now you purpose by this Treaty throwing open the Canadian market to commodities of the same kind as we ourselves produce. I fear there is some big interest concerned in this Treaty, and that the farmer has not been consulted with regard to it.

The situation of the farmer is very pitiable It is almost impossible for him to make ends meet. Taxes are high, and he must pay his share of them. Therefore I have a great deal of sympathy for the man who has brought Canadian products to the position they occupy in the world market to-day.

Let me speak for a few moments about the quality of the cheese manufactured in Canada. It is the best that is made anywhere in the known world.

Hon. Mr. CASGRAIN: Then we need not fear competition.

Hon. Mr. WEBSTER: How did the Australian Government introduce the manufacture of cheese in that country? They sent to Canada and hired an instructor named Singleton, from the county which I represent. He was brought over to Australia, and they introduced modern methods and machinery. Today they are making a very fair grade of cheese. While I do not think it is equal to Canadian cheese, this country ought not to be exposed to the competition from Australian cheese in our home market. We are quite prepared to meet Australia in the British market, because Canadian cheese is to-day worth from one shilling to two shillings and sixpence per hundredweight more than the cheese of Australia or New Zealand.

With regard to the butter industry, I am pleased to say that the Province of Alberta is making possibly the best butter in Canada, Hon. Mr. WEBSTER. but it will have to compete in the Province of British Columbia with butter manufactured in Australia. It costs the Alberta farmer at least 50 per cent more to make butter than it costs the Australian farmer. Is that fair competition? I claim it is not.

Take frozen mutton. When frozen mutton was admitted into Canada from Australia, the farmers of this country sold their lambs at from \$1.50 to \$2 a head. To-day, for a sixty-pound lamb you can get \$10. That is the result of keeping that kind of product out of Canada.

If we continue to open up the markets of Canada to the world, what will be the result? As the honourable gentleman from Bedford has said, you will simply put the farmer out of business.

Take the sheep industry. When mutton was admitted free into this country, there were no sheep worth speaking about in the Province of Ontario; but now the fammer of this country is producing the best sheep that can be found anywhere on the continent of America. If you want proof of this statement, I would recommend that you inquire as to where the prizes at the great International Stock Show in Chicago went in the last three years. A man named McEwen and his son have walked away with the best prizes offered in Chicago for sheep.

Now, with all this first-class stock, what is going to be the result if you deprive the farmers of a market? What is going to be the effect? I would like to see this Treaty go through in some such reasonable form as was suggested by the honourable gentleman from Wentworth (Hon. Mr. Smith), but I am not prepared to sacrifice the basic industry of Canada to make a gain of \$7,500,000 in a business that is to-day controlled by the big interests of Canada.

Hon. C. P. BEAUBIEN: Honourable gentlemen, there are very few, if any, agreements submitted to this House which are as difficult to judge and which may be as weighty in their consequences as this one. When we have before us a Private Bill concerning the interests of two citizens of the Dominion, our prudence requires us to send the Bill to a committee where both interested parties may be heard. We sit as a tribunal and, with the benefit of the knowledge we have obtained, we make a decision to the best of our ability.

But here is an agreement that is brought to us during the last hours of the Session. It interests practically all of the citizens of Canada. Are we asking that any of those citizens be heard? No, we are not. As a consequence, large classes of our population

may be subjected to very heavy losses. But do we know that? No, we do not, nor do we take any way of finding it out. For my part, I desire to enter my most emphatic protest against the manner in which this House deals with treaties with other nations. If I were to submit to any business man in this House a private contract which, compared to this Treaty, would be of little if any import, and were to ask him to pass upon it within a few hours as we are given to pass upon this agreement, would he undertake to do so? I submit that he would not. What is the Government doing? After all, the Government is responsible for this Treaty and all its consequences. The day before prorogation, with our hands full of very important business, and, knowing that we cannot amend this pact, that it must go through holus-bolus or be rejected, the Government insists that we should accept it. We are obliged to decide one way or the other, and still we are without any means of ascertaining whether we are right or wrong. For my part I am not going to assume any such responsibility. I do not want to cast a vote one way or the other when I am in absolute darkness. I think it is unreasonable to ask any man to assume such a responsibility. I know that when treaties are made between nations, concessions must be made by both sides; that is only natural; and it is quite evident on the face of this Treaty that a very substantial and reputable industry of this country will be favoured. I would like to see that industry favoured, but I want to know what we are paying for that advantage. How many honourable gentlemen in this House can say what we are paying?

Hon. Mr. WEBSTER: No person.

Hon. Mr. BEAUBIEN: What efforts are we making to ascertain that?

One thing I do know: in 1892 agriculture required to be stimulated in the Province of Quebec, and a good deal of effort and money were expended to create our butter and cheese industry. That industry has been very successful. Now, I would like to know what is going to be the result of this Treaty upon that industry. What man in this House can stand up and tell us? And if we do not know, is there anything to justify us in passing upon this Treaty?

We could obtain light on this matter if we wanted to. If we sent this Bill to a Committee, it would not take 24 hours for a specialist to give us his opinion, and he might say: "This clause is very objectionable; you are going to injure the butter industry of the whole country" The same principle can be applied with regard to the cattle industry. If all the facts were known, would this House pass the Bill? What right have we to take such chances? This House has rendered a very great service to this country lately, on two items, having saved the country more than \$5,000,000. Everybody looks to the Senate for protection, and why should not the farming community of this country look to us for protection in this case? Why is it that every time a treaty is laid on the Table of this House, we must rush it through blindly? Is that reasonable?

What has been said about farmers in my Province is only part of the truth. I have made an investigation, and I have found that they were leaving the country by trainloads. I am convinced that last year we lost 400,000 of our people. Do honourable gentlement think our compatriots leave their farms because they are happy? Not in my country, anyhow: their roots are too deep in the soil. They leave because they cannot eke out a livelihood for themselves and their children, and with their eyes full of tears they turn their faces towards another country.

If it were shown, honourable gentlemen, that in passing this Treaty you were injuring those people-that by voting without any knowledge of this subject we were driving away a hundred, a thousand, twenty thousand more farmers-what would you do? There is not one man in this House who would do other than refuse absolutely to pass the Treaty. Mind you, honourable gentlemen, I am not saying that that would be the result of the Treaty. For my part I have to confess my ignorance as to that and my utter incapability of judging it in a few hours; but I say you are taking awful chances. Australia in the three first months of this year exported to Great Britain 48,000,000 pounds of butter while Canada exported 310,000 pounds. What does that mean?

Hon. Mr. GORDON: How much did Canada import from Australia?

Hon. Mr. BEAUBIEN: Very little indeed —hardly any at all.

Hon. Mr. McLENNAN: Would the honourable gentleman go on to cheese?

Hon. Mr. BEAUBIEN: Certainly, I will. What does that prove? It simply proves that we are certainly not displacing Australian butter in the British market. We are holding our own much better in the matter of cheese, because as against 10,000,000 pounds that we exported to Great Britain, Australia exported 2,341,000 pounds. But, honourable gentlemen, that proves nothing—why? I do not know, but I surmise that a specialist might give us the reason. What would happen if there were no protection at all, and cheese was admitted freely in the winter months?

Hon. Mr. WEBSTER: It would flood the market.

Hon. Mr. BEAUBIEN: Do not forget that while we export \$600,000,000 of natural products, we import \$300,000,000 worth, and it stands to reason that if we did not import those \$300,000,000 worth, our farmers would place their goods in our markets to that extent. Whatever cheese is imported from Australia will displace Canadian cheese. But there again I may be wrong; I do not know the cheese business; but, honourable gentlemen, it is my duty and my business to know what the experts may say in regard to that matter.

I stand here in the position of a jury: I have to judge; to judge I must know; to know I must have evidence. And I have no evidence at all. The consequence is that if this House wants to abdicate completely, to set aside its own judgment and to accept as the law of God what is brought down by the Government, then it might very well follow the procedure suggested. If, on the other hand, we think that we stand in a position of trust and have to protect the respectable interests of this country, whatever they may be, and have to use our own judgment in the light of our own knowledge, as far as we have it, then I suggest that when a contract as important as this one comes before us we should refer it to a Committee. Why not ask experts in every line affected by the Treaty to come before us and to let us have the benefit of their knowledge? Is there any excuse for not doing that? I am not going to take the responsibility of voting blindfold against this measure; neither am I going to take the responsibility of voting for it; because, forsooth, I cannot appreciate it at all. If I can get someone to support me, I will ask that this measure be sent to a committee where we will get the knowledge that we now lack-a knowledge that will place us in a position to give a judgment based on facts and experience.

Hon. GEORGE GORDON: Honourable gentlemen, the passage of this Bill will accomplish one important object that a good many of us have been desiring for a long time, namely, freer trade within the Empire. That means that business will be unshackled within the Empire. If I believed, as some of my colleagues do, that this agreement would hurt the farming industry in the way **Hon.** Mr. BEAUBIEN. that they have described, I would consider it my duty to vote against the Bill. But my opinion is that we have nothing to fear from Australia so far as butter and cheese are concerned. I believe they will find their way to the mother country.

Hon. Mr. DANDURAND: As usual.

Hon. Mr. GORDON: Yes.

We have heard a good deal of the dark side this afternoon, and I would like to say something of the brighter side-the things that we may expect from this Treaty. Something has been said here this afternoon belittling the paper trade. The paper trade is one which, as we know, was started in Canada only a comparatively short time ago. but which has grown to be an immense business employing many men. To-day Canada is suffering from lack of employment, and I believe that if this Treaty is ratified it will have the effect of creating more employment throughout the country. Previous to 1920, before there was a tariff against us, considerable of our paper was going to Australia.

Hon. Mr. CASGRAIN: \$6,000,000 in one year.

Hon. Mr. GORDON: But since that time Australia put a duty on paper of \$15 a ton, which made it impossible to send our paper into that country. I think there is a potential market there of 100,000 tons, and people who should know believe that we could put into that market at least 40,000 tons of paper. 40,000 tons at present prices would amount to nearly \$3,000,000, all of which would be spent within the country.

But there is more involved than that. To-day on the Pacific coast, where we have millions of cords of undeveloped pulpwood, there are people who are endeavouring to build up an industry, and about the only markets that they can look to with any hope of success are those of the Orient and Australia. If they can succeed in getting even 30,000 or 40,000 tons more of paper into Australia, a mill with a production of, I should say, not less than 125 tons per day would be necessary. That would mean the employment of anywhere from 2,000 to 2,500 men.

So, after weighing these considerations against the small quantity of imports which would come from Australia even under these reduced duties, it appears to me that the balance would be in our favour. In all trades we are looking to get the best end of the stick, and nobody wants to give away everything. My humble opinion of this Treaty is that it is a fairly good one for Canada, and I would be quite sorry to see it interfered with.

Hon. Mr. McLENNAN: May I ask the honourable gentleman if Australia has consented to the terms of the Treaty?

Hon. Mr. DANDURAND: I have not before me the official correspondence between the two Governments, but I assume that the Australian Government has indicated its consent to the Canadian Government, else we would not have this proposition before us.

Hon. Mr. McLENNAN: Of course, the honourable gentleman recognizes the great difference in discussing a matter if it is merely a tentative arrangement that can be modified in any respect, or one that has been practically arranged subject to the ratification of Parliament.

Hon. Mr. DANDURAND: I understand that it has been agreed to; so we must take it as it is.

Hon. Mr. BEAUBIEN: Has the honourable gentleman any answer to my question as to the bonus on cattle from Australia—\$2.90 per head?

Hon. Mr. DANDURAND: Australian cattle are not included in this Treaty at all.

Hon. Mr. BEAUBIEN: You have meat.

Hon. Mr. CASGRAIN: That is dead meat.

Hon. Mr. DAVID: Honourable gentlemen, I have always advocated a home market for all manufactured products. I wish to be logical, and if I saw that this Treaty would deprive our farmers of that home market, or seriously affect their interests, I would vote gaainst it; but I am not so convinced, and I am taking the position of the honourable member for Montarville (Hon. Mr. Beaubien), that I want more information before I vote one way or the other.

Hon. Mr. ROBERTSON: Might I inquire from my honourable friend what is the intent of clause 7? I realize that we are not in Committee, but we might clear this up. That clause reads:

7. The operation of all laws inconsistent with the giving to the provisions of the said agreement and of this Act their full effect shall from time to time be suspended to the extent of such inconsistency.

I would point out to my honourable friend that in Canada we have a sales tax of 5 per cent on many articles mentioned in this Treaty. Does this clause mean that the sales tax is not to apply to those imports, and that therefore the Australian producer shall be protected from the sales tax, to which the manufacturer or producer of articles are subject, over and above the preference given to him in the Canadian market?

Hon. Mr. DANDURAND: This is a clause which the Department of Justice suggested should be inserted in all these agreements, because of unforeseen circumstances that may arise and would need action under such power as is vested in the Governor in Council. The advice of the Department of Justice was that all these Treaties should contain such a clause, so that if any impediment arose it could be removed by Order in Council.

Hon. Mr. ROBERTSON: To illustrate what I have in mind, I take dried raisins, which, under the schedule proposed in this Treaty, are made free. This section of the Act provides that the operation of all laws inconsistent with the provisions of the Treaty shall be suspended. That clause would suggest, to a layman like myself, that any laws inconsistent with the bringing in of raisins free from Australia would have to be set aside, and therefore the sales tax of 5 per cent would not apply to raisins imported from Australia; but if the raisins came from any other country in the world to which the sales tax did apply, then it would have to be collected. In other words, this Treaty would give the Australian a 5 per cent protection against all others in that article, as it comes in free. That is the thought I have in mind. I want to be clear, because if that is the case, the Treaty is quite unfair in that respect.

Hon. Mr. DANDURAND: I am informed that those importations will be liable to the sales 'tax, like all others. Schedule II says: Subject to the provisions of The Customs Tariff, 1907, there may be granted to the undermentioned goods the produce or manufacture of Australia when imported direct into Canada, the rates of customs duty hereinafter set out.

Of course, we have increased the duty on raisins, and by this Act we are making them free for Australia, so that we will be able to import its raisins and dried currants free under that schedule.

Hon. Mr. ROBERTSON: The result of the change, as I understand it, would be that whereas heretofore there has been a duty on raisins, no matter from what country they came, now it is proposed that they shall come in free from Australia.

Hon. Mr. DANDURAND: From any British country under the British preference.

Hon. Mr. ROBERTSON: Yes, and if imported from other countries the duty is increased to 3 cents per pound. From any other country to which the preferential treatment does not apply, there is, in addition to the duty, a 5 per cent sales tax, which the importer would pay?

Hon. Mr. DANDURAND: That is under another Act.

Hon. Mr. ROBERTSON: But I was asking whether raisins, coming in free from Australia, and Section 7 remaining as it is, would be subject to the sales tax.

Hon. Mr. DANDURAND: Yes, it would operate.

Hon. Mr. ROBERTSON: In both cases alike?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: Will the honourable leader explain what these words really mean at the head of schedule II? These concessions are granted to Australia "subject to the provisions of The Customs Tariff, 1907."

Hon. Mr. DANDURAND: These goods in the schedule will be subject to any regulation under the Customs Tariff of 1907—the Dumping Act, for instance, or any other regulation.

Hon. Mr. SMITH: Is the sales tax under that?

Hon. Mr. DANDURAND: No; the sales tax is contained in another Act.

Hon. Mr. SMITH: There is a sales tax on canned goods, for instance, of $2\frac{1}{2}$ per cent; would that apply in this case?

Hon. Mr. DANDURAND: Yes, it would operate.

Hon. Mr. REID: As I understand it, clause 7 was never in any Treaty that passed this House before except the Finland Treaty.

Hon. Mr. DANDURAND: I am informed it is in the Trety with France and the Treaty with Belgium.

Hon. Mr. REID: It is in all of them?

Hon. Mr. DANDURAND: There is a certainty as to the other Treaties, and probably in the French Treaty as well.

Hon. Mr. REID: I would like to be sure on that point before the Bill goes through; because this Treaty states that the agreement is entered into between the two countries, and that the rates of duty specified in the enumerated list shall apply. Now, is there any question about that being understood in Australia as it has been interpreted by the honourable leader just now? Unless the Australian Government thoroughly understand the situation,

Hon. Mr. ROBERTSON.

they might take this position: "We made an agreement that those goods should go into Canada at a certain rate of duty, and here is clause 7, put in there specially so that we would be exempted from that sales tax; but if you are going to put on a sales tax, of course that would be a duty against the goods, whereas in our own country there is no sales tax when we are selling."

Hon. Mr. SMITH: There is a sales tax on what is manufactured here.

Hon. Mr. REID: But I am talking about farm products. The people in Australia believe that those articles are coming to Canada free of duty-that there is no tax whatever against them. But when the customs entry is made out they find several headings-British preference, intermediate, free, and then sales tax. So far as I can see there is really a tax of 5 per cent being collected, and I would like to know if there is a distinct understanding with Australia that when an entry is made out to Australian goods coming into Canada the sales tax must be paid on those goods even though they are marked free, as well as on dutiable goods. Let us have that thoroughly understood, so that if there is any question raised in future by those who are importing we will have on record here the ground on which this Treaty was passed.

Hon. Mr. DANDURAND: I am in a position to state that there is no question about our right, under this Treaty, to collect the sales tax; and Australia has the same right in regard to our goods imported into that country.

Hon. Mr. REID: Of course, if either country could in an indirect way destroy the Treaty by doing that—

Hon. Mr. CASGRAIN: Not after it is made.

Hon. Mr. REID: Certainly Australia might increase its sale tax on some of our goods to 25 per cent, which would destroy the Treaty so far as we are concerned, and we could do the same.

Hon. Mr. SMITH: This schedule is subject to the customs tariff of 1907.

Hon. Mr. REID: But the other clause does not say customs: it says "all laws." Take canned goods, on which there is a sales tax: the importer or someone has to pay that sales tax; but if the law can be interpreted as imposing no sales tax on manufactured goods or canned goods coming from Australia, the Canadian manufacturer of the same class of goods pays 5 or 6 per cent. Hon. Mr. DANDURAND: Clause 7 cannot apply at all to that condition of things. The sales tax is absolutely independent of the operation of this clause, which is simply for administrative purposes.

Hon. Mr. ROBERTSON: Can my honourable friend answer the further question, as to whether the Australian Government so understands the terms of the Treaty?

Hon. Mr. DANDURAND: I have not the correspondence before me; but this is a domestic matter which belongs fully to Canada. Australia will interpret the Treaty under its laws, while we interpret the Treaty under our laws.

Hon. Mr. REID: Between now and 8 o'clock the honourable leader can get this information for me. What he states now is that the Australian Government will take this Treaty as we pass it, and they will of course interpret it as they please. But I should like to ask: was this Treaty as it is now before us, word for word given to the Australian Government, and did the Minister who negotiated this Treaty state to that Government or its representative that, notwithstanding that we are allowing these goods in at the rates of duty specified, we have in our country a sales tax which they have not, and there will be a charge of the sales tax on all those goods, whatever it is, whether 5 or 6 per cent, so that the Australian representatives must understand that so long as we have that sales tax it will be collected by the customs officials when their goods come into this country?

Hon. Mr. DANDURAND: There are general rules that govern such Treaty arrangements between nations. I might instance the Treaty of 1907 to illustrate what has developed under it. A Treaty was signed in Paris by the Right Hon. Mr. Fielding and the Hon. Mr. Brodeur for Canada and by representatives of the French Republic. It was submitted to our Parliament at the same time as it was submitted to the House of Assembly in Paris. It passed the House of Assembly in Paris and the two branches of the Canadian Parliament; but it was suspended in the French Senate and was sent to the Commission des Douanes -the Customs Committee of the Senate-and examined very minutely. The matter was postponed from one session to the next, and in the interval the Committee of the French Senate had the advantage of reading the discussion that had taken place in our Canadian House of Commons, where there had been some very close questioning by some members regarding the interpretation of each clause. The Canadian delegates had answered in all

loyalty and sincerity, stating what they believed to be the true interpretation to be given to the various clauses of the Treaty. The Committee of the Senate of France discussed our interpretation and differed on three or four points. Some of these points were material. I had occasion to return to Paris with Mr. Fielding, and for a month we discussed the question of interpretation. The Minister of Commerce obtained from the Committee of the French Senate its objections to our interpretation, and we endeavoured to reconcile the different views regarding the various clauses. We did so mainly through an exchange of letters, in which we agreed as to what the interpretation should be.

A Treaty with any country may give rise to a divergence of opinion as to the interpretation. Sometimes this difference will occur only in the application of the Treaty, and only after it has been in force many months or years. But my honourable friend surely does not expect that there will be correspondence relating the conversations that took place. Each country discusses its affairs, an agreement is arrived at, and then it is applied according to the laws of the country. If there is afterward some recrimination in the application of the Treaty, the difficulty is ironed out in some way, or, if there is no way of adjusting it, the Treaty is abrogated.

The debate was suspended.

HOME BANK DEPOSITORS RELIEF BILL

HOUSE OF COMMONS MANAGERS

The Hon. the SPEAKER presented the following message from the House of Commons:

That a Message be sent to the Senate to acquiat Their Honours that this House hath appointed Messrs. Graham, Murphy, Lapointe, Robb, Macdonald (Pictou) and Malcolm, as Managers on behalf of the House of Commons of the Free Conference with the Senate with respect to the amendments made to Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

AUSTRALIAN TRADE TREATY BILL SECOND READING

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, with reference to this measure that is before us to-night, it is quite useless for me to add to the protests that have been made on all sides that a matter of this importance should have been brought before the Senate at this late stage.

Hon. Mr. DANDURAND: í was inclined to protest myself.

Right Hon. Sir GEORGE E. FOSTER: I quite believe that in his heart my honourable friend feels that he has been used for a very improper purpose in being commissioned to lay this measure before us as he has done.

When the old draft was brought up, I was disposed to favour the Treaty, so far as I had been able to examine it; but the present measure shows such meagre and povertystricken provisions for Canada that it is very difficult for me to keep up sympathy with the intended Treaty. I am one of those who have always wanted a Treaty with Australia. She was the only one of the British countries with which we had not preferential relations. Many attempts have been made, as this House well knows, but they all have failed up to the present time, for various reasons. The honourable leader of the Government (Hon. Mr. Dandurand) was good enough to mention my name in the memorandum which he read, and which had been prepared for him, but I do not think he gave me as much credit as I should have. Now, I am a very modest man, and every year I grow more modest, and I do not blow my own horn; but if my honourable friend will look into the departmental records he will find in the history of the negotiations for a treaty or agreement with Australia that I was fortunate enough to make the most favourable one that has been made. I spent a fortnight in Australia, at the capital, in close negotiation with the Government at that time. I was not negotiating with a Commissioner or a Trade Board, but with the Government appointee, the Minister of Customs at that time. Mr. Fisher was then the Prime Minister, and he deputed his Minister of Customs to take up the matter with me, and for a fortnight or three weeks we spent a part of almost every day together, and we came to a conclusion, and signed a provisional agreement, which of course was subject to the approval of the Government and Parliament of each country, and which was signed without prejudice to either, as must necessarily be the case.

Under the agreement that we arranged at that time we were to get a trade preference on every article that we desired the preference upon, and the list was handed in—a list of 50 or 60 items—and we were to give to Australia our British preference. That is to say, it was preference for preference, and took in a wide range of items and products on both sides. Neither country was bound not to revise or amend its tariff; there was perfect freedom of revision and amendment; but there was an article which made it desirable that in any changes about the same proportionate rates of preference should be maintained, so that the Treaty might go on con-

Hon. Mr. DANDURAND.

tinuously. That was signed by Mr. Tudor and myself, and just at that time one of those unfortunate things that take place in all countries, and which sometimes have unexpected results, took place there. The Government came back with a minority of one in the Lower House and a substantial majority in the Upper House. That of course made any further action on the part of the Government impossible. I believe that if that Government had been sustained that arrangement would have gone through, and would have furnished a very fair basis of reciprocal treatment between the two countries. However, that Treaty went by the Board owing to the unexpected result of the election.

Now, with reference to this particular Treaty, I think it would not be a harsh thing to say that if the Government had lain awake at nights in order to invent a method by which they would probably get the most unfavourable terms with Australia, they could not have succeeded better. One would think from looking into this matter that they had taken that method. What my honourable friend from Wentworth (Hon. Mr. Smith) said, and what has been repeated by others, is an absolutely reasonable proposition. There are two ways in which you can give a preference. There is no need for me to repeat what the honourable member from Wentworth so excellently and forcibly said. The preference which is now given to Australia could have been given on the comparative basis if the Government had taken the sensible course of raising somewhat the line of duties upon agri-cultural anticles. They had every excuse and every reason for doing that, because along our whole border we are at a disadvantage in the interchange of agricultural commodities in that we have a high tariff against us and a low tariff against competition from outside. If the Government had carried out that principle they could have had an equally good preference, and they could have given a fair show to the agriculturists of this country.

It is not an easy thing to sit down with Australians and negotiate a treaty because of the fact that their products are so largely the products that we ourselves raise, and that if you take a series of years they confront you with a very plain proposition. They say, "We buy from you four or five or six or seven times as much as you buy from us," and they say that the opportunities for their competition in this market are not so great by far as our opportunities in their market. They put that proposition very strongly, and it makes negotiation difficult. At the same time, there is a pretty strong sentiment in Australia in favour of preferential dealings with all the sister colonies; they carry it out consecutively with Great Britain and to a certain extent with the other overseas Dominions. We have not yet been able to meet them and come to a conclusion.

This is a matter of balancing the advantages and the disadvantages. I think it is possible for the farmers of this country to stress a little too much the strong competition that they would have from Australia in the matter of butter and cheese. While Ausralia has natural conditions that are in her favour, she is handicapped in the transport of perishable articles over a very long course by sea, and most of those products would have to be subjected to more or less costly methods of transport in order to preserve their quality when they are put upon the market. Australia's great market is not in Canada: her great market for cheese, butter and meat is the European, mainly the English, market. She is set in that direction, and the great bulk of her products go that way. / What would come to Canada would be what you might call casual exports. But so far as the tariff in the Bill before us is concerned, it calls for a sacrifice from the farming community, but not so great a sacrifice as some people fear or think. At the same time, it is they largely who are to take the disadvantageous part of the transaction.

What do we get in return? In return we get an entrance into Australia for a very few items of our manufactured goods. So far as we get an entrance and start upon a trade system by preference with Australia, we have it in our power to continue that, and maybe to continue it with greater advantage each years. If indications are anything, and I think they are, the prospects are, I should think, very bright at the present time of there being a different party in power in Ottawa when legislation comes on again-if not the first time, the second time. If we can make deductions from indications that come to us at the present time, some of them in an official way, and some of them by way of prospect and aspiration, we may hope for that. Once that were accomplished, and we had the basis of this Treaty-and under it we have power of revising our Tariff Acts so long as we keep something of the proportional rates of preference in the new revisions-we would be able to revise our tariffs and to correct the dis-ability. That, I think, would probably help us to work out to a profitable exchange between the two countries.

You may say that this is a kind of wobbling speech, and I will admit that it is. Really, it is not a speech: it is a few remarks which try to look upon both sides of the question to a certain extent. My sympathies are

strongly in favour of trying to do business on a preferential basis with the whole of the British world; but I want to do that business without too much sacrifice on our own part unless we see some possible advantages which from year to year might be increased.

I do not know that I have anything more to say upon this Treaty. It is a matter for us to think about as to whether or not, after long deliberations by the other House, or governmentally or otherwise, it is right for us, a conclusion having been reached, to step in and say, "Your will shall not be carried out." It is for every man to decide for himself, and I shall endeavour to come to a decision before I vote, if I should have to vote.

Hon. A. B. GILLIS: Honourable gentlemen, coming as I do from a part of the West where we are entirely dependent upon what is known as the small farmer, I wish to express my disapproval of this Bill. It seems to me that in this Treaty the dice are loaded in favour of Australia. Australia does not produce pulpwood or paper, and consequently is not making any sacrifice in that regard. On the other hand, we are granting Australia the freedom of our markets with regard to all the commodities that the small farmer of eastern Saskatchewan depends upon for his existence. I fail to see why the Government should sacrifice the farming interest of this country for a comparatively few advantages on the part of what may be termed the big interests. The Conservative Party has been accused by the Western press and others of being associated or connected with what are known as the big interests. This is the song that has been sung for 25 or 30 years in the West. There is no foundation for that statement; but now we can reverse conditions and say that the Liberal Party have associated themselves with the big interests and have sacrifieced the interests of the farmers of Canada.

I live in a community in eastern Saskatchewan which is carrying on mixed farming. What happens is this. The farmers put in their crops, and, if they are fortunate enough to get a good harvest they are able to meet their obligations and have probably enough money to tide them over to the next spring. When spring comes they depend upon their poultry and their dairying and their cattle for existence until the next harvest. If this Treaty goes into effect what is the result? Just before I came away the farmers were receiving 15 cents a dozen for eggs and 20 cents for butter; but if this Treaty with Australia goes into effect, that country, having what is claimed to be the best cold-storage system in the world will get more of its goods and products into Canada and the farmers can scarcely

expect to get 10 or 15 cents for their eggs or 15 or 20 cents for their butter. For that reason I am opposed to this Treaty. I think it is unreasonable and unfair that 75 per cent of the people of this country should be sacrificed for the purpose of giving a few pulpmilling concerns the freedom of the Australian market.

Hon. F. L. BEIQUE: Honourable gentlemen, I have been unable to follow this debate, and I must confess that I was quite uncertain as to whether I would be justified in voting upon this measure or not. I was very much pleased to hear the right honourable member for Ottawa (Right Hon. Sir George E. Foster) giving us the benefit of his large experience in this matter. As he told us he had occasion to go into this question very thoroughly years ago, and I think he is in a position to appreciate the situation better, maybe than any other member of this House.

I am and always have been, as the right honourable member is, very strongly in favour of preferential trade within the Empire and it was a source of regret to me that such an arrangement could not be obtained with Australia. I am glad that the honourable member, with his large experience, has come to the conclusion that this will be the means of getting that preference and that, although there may be imperfections, they may be corrected either by raising the tariff on certain articles or otherwise. In any case I feel that it would be fitting, on the first opportunity we have to obtain a preference with Australia, for which we have been looking for a good many years not to lose it by refusing to pass this Bill.

Hon. Mr. DANDURAND: Honourable gentlemen, we know that repeated efforts have been made during the last thirty years to reach a certain agreement with Australia. The right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) has told us of his own pilgrimage to Melbourne, and of his attempt to bring back to Canada a satisfactory arrangement. He has well said that when we sit around the table with Australian delegates we are handicapped by the condition of our present exchange. We are selling to them \$12,000.000 worth, and they are selling to us over \$2,000,000 worth. But when we look at the value of the Australian market, of its purchases and its imports, we find that there it offers a fair field for Canadian development and expansion.

The honourable gentlemen who interest themselves more especially in farming and in the production of fruits and dairy products have expressed fear at what might

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happen under this arrangement. Well, they must rely upon the study that has been made by the officers of the various Departments. The Minister of Finance has not signed this agreement without availing himself of the proper advice and counsel. He has consulted the dairy industry and the people who are mostly interested in supervising the administration of the Department of Agriculture. For instance, he finds that cheese and butter produced in Australia are mainly sold in the British market, where the price is fixed, and that there is very little danger of cheese and butter from Australia reaching our shores to any extent. As the right honourable gentleman has said, the trade of Australia is towards Great Britain. I may mention the fact that the total exports of butter from Australia for 1922-23 were 79,000,000 pounds, of which 70,000,000 pounds went to Great Britain. The total exports of cheese' from Australia were 5,450,466 pounds, while our exports were 126,963,200 pounds. Surely in such a situation there is no danger to our cheese industry.

We have given Australia a large benefit in the sale of its raisins, of which we produce none in Canada. We had to find some article that would be acceptable, and would represent some advantage for Australia, and we raised the tariff to 3 cents on raisins in order to give Australia a chance to place some of its produce in Canada.

This Treaty is welcomed by the industries. I have heard many honourable friends complain during this Session and preceding Sessions that our policy did not tend to help industry. In fact, the complaint has been repeatedly heard that we are prisoners of the farmers of the West, and that we had no regard for the industries of the country outside of farming. Well, here we show Parliament that we can take a larger view, that our interest covers all the activities of Canada. and I am convinced that experience will demonstrate that the fear that has been expressed in this House that some of our natural products might be affected will prove to be unfounded.

Right Hon. Sir GEORGE E. FOSTER: Is it a fact that the Treaty can be terminated on six months notice?

Hon. Mr. DANDURAND: Yes.

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. Willoughby in the Chair.

Sections 1 and 2 were agreed to.

On section 3-rates of duties on Australian goods imported direct:

Hon. Mr. REID: I just want to enter my protest with reference to this Treaty. I do not like to give a silent vote. My reasons are, first, as I have stated in regard to other Bills, that I really think it has been very unfair to bring this Bill here within, as we might say, 48 hours of prorogation.

Hon. Mr. DANDURAND: My right honourable friend from Ottawa said so a moment ago.

Hon. Mr. REID: I know he did, but I want to say so too, because that is one of my reasons. Look at the opportunity we would have had of getting information, and learning whether we were doing right so far as our own country is concerned. Surely the honourable leader of the Government cannot say that it is fair treatment. I mention it now, and will do so on every Bill if this practice continues after we have lost so much time during the Session. In regard to this Treaty, I am not in favour of it, as I believe it is not in the interest of the farmers of this country. I think it may injure them, and do an injustice, and I think it will be one of the greatest means of preventing immigration. Having entered my protest, my voting against the Bill may be interpreted as voting against the interest of trade within the British Empire. However, I do not think that counts for anything; I think we should look after our own interest first, and then try to develop the other.

Section 3 was agreed to.

Sections 4, 5 and 6 were agreed to.

On section 7—suspension of inconsistent laws:

Hon. Mr. DANDURAND: I intended giving information to my honourable friend. This clause 7 has for its object the suspension of the clause in the customs tariff which comes in conflict with the present duty.

Hon. Mr. REID: That is exactly the way I would interpret it. The excise is now administered along with the customs, and is really part of the customs law. I think there is a danger of it going further than the farmers, and injuring the manufacturers, because an Order in Council might be passed, or this clause might be interpreted by Australia as I have stated, and if it is so interpreted the sales tax cannot be collected.

Hon. Mr. DANDURAND: No, the sales tax is not affected by this clause. If my hon-

ourable friend will read the last proviso at page 3 he will find this:

Provided further that any of the goods above enumerated in this schedule the produce or manufacture of Australia imported direct into Canada shall be entitled to the benefit of any reduction in duties or preference granted in respect of like goods imported from any British country.

Hon. Mr. REID: No, I will read clause 7 first. I interpret that clause to mean that goods from Australia coming into Canada free of duty shall still be subject to a sales tax.

Hon. Mr. DANDURAND: My honourable friend should read the introduction to Schedule II.

Hon. Mr. REID: That is all right. Then let us take the first item: "Meats, fresh, $\frac{1}{2}$ cent per pound." That is what the customs tariff would be; but the Australian says: "You have clause 7 before that, which states that the operation of all laws inconsistent with this coming in at $\frac{1}{2}$ cent a pound shall be suspended." I must say I cannot understand it in any other way.

Hon. Mr. DANDURAND: I am giving the honourable gentleman the opinion of the Department of Finance and of the Department of Customs.

Hon. Mr. REID: But it is not what the customs officers say; it is what the Australian understands that I am referring to.

Hon. Mr. CASGRAIN: But Australia is satisfied.

Hon. Mr. REID: That is what I ask the leader of the Government: does Australia understand? Is there no possibility of misunderstanding? When these goods come into this country they will be entered free of customs duty, but the sales tax will be collected.

Section 7 was agreed to.

Schedule I was agreed to.

On schedule II:

Hon. Mr. SMITH: I am assured by the leader of this House that the bounty system has been abrogated in Australia, and that the anti-dumping Act will come into operation, and therefore the Australians can take no advantage even though there is a bounty. Therefore I have no hesitation in withdrawing my proposed amendment, as it would be useless. But I would like to read a little statement as to what has occurred in Australia, to show that I have not been drawing the long bow, or bringing up a bogey that did not exist. While Australia has been giving these hounties this is what happened: The Shepparton Preserving Co. have 70,000 cases, and the Government Pool of last year 210,000 cases lying in London unsold. It is proposed by this year's Pool Commission to pack 550,000 cases, and more this year-

That is, 1924-

--and in view of the stocks lying in England it is intended that the Australian market shall absorb fully 90 per cent of this quantity, in face of last year's consumption of 125,000 cases.

Australia is to be asked then to consume four and half times what she has ever done before, and as all the propaganda in the world will not accomplish this in one year in view of the prices asked, it would appear sound policy on the part of the Government to make strenuous efforts to clear the stocks lying in England in order to make room for further export quantities, unless, of course, they wish to be saddled with a heavy carry-over at the end of the year's operations for an indefinite period.

Please note there is no limitation put on the life of this Pool Commission, which has been formed to dispose of this year's pack, and if it takes three years to sell the stocks they carry on for that time. As they form themselves into a company they naturally have full power of attorney to act as they see fit, without fear of interference from Government circles.

To consume the 550,000 cases of fruits in Australia, a first essential would be a cheap popular price of 1/ per tin, but unfortunately the prices named by the Pool makes it impossible for the retailer taking a normal profit to sell apricots under 1/3, peaches under 1/4, and pears 1/6 per tin.

Grading.—As it is claimed by the canners that the Australian public will not pay an extra price for fancy and choice grades of canned fruits above the price asked for the lower standard grade it has been decided that nearly all the fruit packed this year shall go under the standard grades.

I am reading this just to show that there is a tremendous surplus there. Under the system of the Government giving a bounty to the canner to pack the goods, and then giving him a bounty to export them, enormous quantities are packed there. The surplus, it is said, is sufficient to last them for three years, even though they limit their pack.

Under those conditions, with that canned fruit coming in here at $\frac{1}{2}$ cent a pound, and with the Australian packer getting a rebate equal to $\frac{1}{2}$ cent a pound on the sugar he puts into that, the result will be that the enormous quantities of fruit now lying unsold will come into this country practically without paying any duty. The one-half cent payable will be balanced by the advantage in regard to sugar. So we are having free importation into this country exactly the same as in England, for this enormous quantity of fruit as put up by the Government. Apparently it is being sold in England at a tremendous loss. According to a statement I have here, they are selling it in England 25 per cent more cheaply than in Australia. We shall have some of it coming into this country selling at an enormous loss and competing with the goods of our fruit-growers. The objection I have to this Treaty is chiefly on that score.

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Hon. Mr. REID: And the freight from Australia to this country is less than on our own goods.

Hon. Mr. SMITH: It is less than the freight to England. They would have an advantage in coming into this market.

Hon. Mr. REID: But if you ship west to Calgary, the freight from your place is more than the freight from Australia.

Schedule II was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING POSTPONED

The Hon. the SPEAKER: When shall the Bill be read the third time?

Hon. Sir JAMES LOUGHEED: Tomorrow.

Right Hon. Sir GEORGE E. FOSTER: We meet to-morrow.

Hon. Mr. DANDURAND: It is true, we shall meet to-morrow, but if my honourable friend has no object in asking that this be postponed—

Right Hon. Sir GEORGE E. FOSTER: I think our haste has been commendable from the standpoint of that side of the House, and we might have a little rest now.

Hon. Mr. DANDURAND: I am informed that the Department would be very happy to be able to notify the Australian Government that the Bill has passed the two branches of Parliament.

Hon. Mr. REID: That cannot be done until to-morrow at 12 o'clock anyway.

Right Hon. Sir GEORGE E. FOSTER: We have been pretty nearly a year getting down to this Bill, and Australia has become so used to the delay that 24 hours will not bother it at all.

It was ordered, that the Bill be placed on the Order Paper for third reading to-morrow.

CANADA TEMPERANCE BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 209, an Act to amend the Canada Temperance Act.

He said: The object of this Bill is to empower the Provinces that have control of the sale of liquor to prohibit its importation by any private citizen or any export house. As far as I can judge, the Bill is practically a reproduction of the Bill that was before us two years ago:

163. (1) Subject to the provisions of subsection two of this section, and notwithstanding the provisions of this or any other Act to the contrary, no person shall import, send, take or transport into any province in which the prohibitions of this subsection are in force any intoxicating liquor.

(2) The provisions of subsection one of this section shall not apply to:

(a) Intoxicating liquor which has been purchased by or on behalf of, and which is consigned to His Majesty or the Executive Government of the province into which it is being imported, sent, taken, or transported; or any board, commission, officer or other governmental agency which, by the laws of the province, is vested with the right of selling intoxicating liquors; or,

(b) The carriage or transportation of intoxicating liquor into and through a province by means only of a common carrier by water or by railway, if, during the time the intoxicating liquor is being so carried, or transported, the package or vessel containing the intoxicating liquor is not opened or broken or any of the intoxicating liquor drunk or used therefrom; or,

This is to allow of the free passage of liquoi through a province having prohibition laws.

(c) The importation of intoxicating liquor into a province by any person duly licensed by the Government of Canada to carry on the business or trade of a distiller or brewer where the intoxicating liquor sc imported is imported solely for the purpose of being used for blending with or flavouring the products of the business or trade of a distiller or brewer carried on by him in the province, and while kept by him in the province is kept in a place or warehouse which conforms in all respects to the requirements of the law governing such places or warehouses, and is used solely for blending with or flavouring the products of his said business or trade as a distiller or brewer.

(d) The importation into a province of any intoxicating liquor for sacramental or medicinal purposes or for manufacturing or commercial purposes, other than for the manufacture or use thereof as a beverage.

So far this amendment is an exact reproduction of the Bill that was before us at two Sessions. There is a clause concerning the burden of proof:

(3) The burden of proving the right to import intoxicating liquor, or to cause intoxicating liquor to be imported, or to send, take or transport intoxicating liquor, or to cause intoxicating liquor to be sent, taken or transported into any province shall be on the person accused.

Provision is made for penalties for violation, first offence, and subsequent offences:

(5) Upon receipt by the Secretary of State of Canada of a duly certified copy of an order of the Lieutenant-Governor in Council of any province in which the importation of intoxicating liquors into the province has not been prohibited under Part IV. of this Act, and in which there is, at any time, in force a law vesting in His Majesty or the Executive Government of the province authority for the control and sale of intoxicating liquor in the province, or in any board, commission, officer or other governmental agency the right of selling intoxicating liquor in the province, requesting that the prohibitions contained in subsection one of this section be brought into force in that province, the Governor in Council may, by proclamation published in the Canada Gazette, declare the prohibitions of subsection one of this section in force in that province and the same shall thereupon be and continue in force therein.

(6) Upon receipt by the Secretary of State of Canada of a duly certified copy of an order in council of the Lieutenant-Governor in Council of any province, in which the prohibitions of subsection one of this section are in force, requesting that the said prohibitions be revoked, the Governor in Council may by proclamation published in the *Canada Gazette* declare that the prohibitions of subsection one of this section shall no longer be in force in that province and the same shall thereupon cease to be in force therein.

The object of this Bill is mainly to prevent the operations of the export houses and to recognize and accept the sovereignty of a province within its own borders. When a province has decided upon a certain regime to govern its inhabitants, the Federal power comes in to help it to carry out its will.

I might dilate upon the principle and the operation of this measure all night long without giving any more information than is contained in the Bill. We are all aware of its purpose. The Province of British Columbia is urging the Department of Justice to submit this legislation de novo. I am informed that the Province of Quebec, whose statutory enactment and organization are similar to those of British Columbia, is also asking the Federal Government for this legislation.

Hon. J. D. REID: Honourable gentlemen. as the honourable leader of the Government has said, this is exactly the same Bill that was before this House on two former occasions. It was thoroughly discussed each time, and, as we all remember, it was defeated. Of course, I raise the same objection to proceeding with this Bill that I did with regard to others at this late date in the Session. But I have a further objection which I think justifies our refusing to proceed with it. The honourable gentleman knows that all the members from British Columbia have left within the last few days. They had to get their reservations several days ahead, and it was expected that Parliament would prorogue to-day. This Bill does not reach us until after they have left for home, and now we are expected to rush it through. I think it is most unfair to ask us to proceed with it. Furthermore, there have been some changes in temperance legislation in Canada. We ought to have time to examine all the legislation, to see whether we are justified in passing it or not. In view of the fact that the Senate has twice defeated this Bill. and that the representatives of the Provinces most interested are not here to-night to speak on this question, I think we ought not to allow the Bill to pass, but should let it stand till next Session. It can be taken up on the first day of next Session, or within a few days after the opening of Parliament, when all the members are present, and it will then have a fair chance.

For the reasons I have given, I move:

That this Bill be not now read a second time, but but that it be read a second time this day six months.

Right Hon. Sir GEORGE E. FOSTER: I have listened to the reasons given by my honourable friend for the rejection of this

Bill, and I am free to say that I cannot agree with a single one of them. It is quite true that this Bill, as other Bills, has been brought down to us at a late hour of the Session, but it is also true that other Bills have been taken up and passed after a protest has been duly registered. I do not see why this Bil' should receive different treatment. The argument that we should not proceed with this Bill because the members for British Columbia are not here, is an argument which I do not think is founded on either good sense or logic. It is the business of all members of the Senate from the Provinces, who are paid their salary, and a good salary, for attending to their business as Senators, to be here and to attend to that business. If we are going to have legislation dispensed with and delaved because members are not present when they ought to be. I think we are going to proceed upon a principle which is not well founded.

My honourable friend is much concerned because he says the Bill is new to him and he does not understand its provisions. The honourable gentleman knows the provisions of it just as well as he knows what he had for breakfast this morning. He is not at all an ignorant man; he is a very intelligent and very shrewd man, and I cannot give any credence to his reasons for having the Bill postponed. What other reasons has he given? None. I put it to the House whether the reasons that he has given are good or not.

But there is another side to this question. Although my honourable friend who has introduced the Bill has not given us anything more than a simple reading of its provisions, he has on previous occasions given us good reasons, I think, for its passage; and if those reasons were good in the past, to my mind they are even better at the present. In the first place, what we have acted upon-and for years it has been the policy of both Governments-is the principle that if we would not take up and dispose of the question of prohibition in this Parliament, we would at least leave it, and gladly leave it, to the Provinces to do it for themselves. We have pledged ourselves, and the Government of which my honourable friend was a member pledge itself to the hilt, and has carried out exactly what it pledged itself to do, as a Liberal Conservative Government always does, and as I hope it always will do.

If a parliamentary body chooses to divest itself of the duty of solving this important question by legal methods, so far as legal methods can solve it, it then has no right, I think, to interpose its veto or its vote, whether

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it be from prejudice, sentiment, conviction or principle, in the way of what a Province has determined over and over again it wants to carry out as its policy. In the Province of British Columbia are the men and the women who are to be affected by the legislation, and the men and the women in that Province, as in the Province of Quebec, have settled this question for the time being by their votes in the only democratic way that they have of settling it. In every case in the past our legislation has said: "Whatever we can do as a Dominion Parliament to facilitate and help you carry out your view as voiced by the democratic method of representation we will do." And that we have done.

Now, why do we step in to-day on reasons no better founded than those my honourable friend has advanced, and place our veto in the way of the wishes of the Provinces who are trying to carry out what at best is difficult legislation? What is the curse of the thing in the Province of British Columbia today? It is the export warehouse; and the opposition to this Bill does nothing more nor less than to facilitate the operations of those export warehouses, whose only motive is the greed for lucre that they wish to put into their pockets, and who do not care a tinker's dam how they do it—

Some Hon. SENATORS: Order.

Right Hon. Sir GEORGE E. FOSTER: -who do not care a tinker's dam how they do it so long as they make the money. They are ready to interpose, and do interpose, in every well-directed effort of the Province of British Columbia to carry out its policy in respect to the sale of intoxicating liquors. But they are not contented with doing that: there they are as receptacles and repositories for the means of breaking the law in British Columbia itself, and for the breaking of the That is their law in contiguous countries. business. If it cannot be carried on by their cabals, by their business interests, they will get men to carry it out by the pistol and the bludgeon-and they are doing it to-day all along the border; and even in Ontario there is a laxity which is due to that same disrespect of law.

Now, I say that the man who helps anyone in Canada to break the law of his own country is not doing what the best citizenship calls upon him to do. I say it is equally true that the man in Canada who is lax to the extent of aiding people in Canada to break the law of the United States is not doing what he ought to do. There is no boundary or customs limit with respect to law and the morality

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upon which all law is founded, and I defy anyone to stand up in either House and maintain the argument that you can invite and help your own citizens to break the law of a neighbouring country, and do it consistently and continually, without breaking down the respect for law in your own country. Law is, in its essence, and in the moral basis upon which it is founded, the same in one civilized Christian country as in another, and anything which incites the breaking of a law of a neighbouring country is bound, in one way or another, to inculcate disrespect for the law in the country which permits the incitement. In so far as we are preventing the Provinces from carrying out those regulations that have a tendency to stop the breaking of the law in the Province and in the neighbouring country, we are helping the disrespect for law and the moral principle upon which it is founded.

I just ask myself what has been the history of these export houses in British Columbia for the last two or three years. I know from information that I have--and I do not believe anyone for a moment will try to dispute that information-that those export houses are the seat of the trouble in that Province; therefore I am strongly in favour of putting into the hands of the Provinces, which after repeated efforts have come to a certain policy upon the way in which they will carry out those liquor laws, the means of doing so. I think that the Dominion, and that we in the Senate, ought to interpose no instrument which will prevent them from carrying out those laws; on the contrary, I think that we ought willingly and cheerfully to aid them in the efforts which they are making to that end.

Hon. W. B. ROSS: Honourable gentlemen, I would like to ask the Leader of the Government if it is not a fact that none of those exporting houses in British Columbia can get a license unless it has first obtained the consent of the Attorney General of the Province. That was the law two years ago.

Hon. Sir JAMES LOUGHEED: It is the law to-day.

Hon. Mr. DANDURAND: I confess that I have had no time to look over the reports of discussions that we have had in this Chamber, or to get in touch with the Departments that have something to do with the licenses. As far as my memory carries me, there are certain powers which must be exercised by the Department of Customs, and I believe that if a request is made for a license for an export warehouse under certain conditions, it must be granted. Hon. Sir JAMES LOUGHEED: Not without the consent of the local Government.

Hon. Mr. DANDURAND: Of course, that was two years ago. But I remember that for two sessions we grappled with this difficulty, and finally the majority-and it was not all on the same side of the House-came to the conclusion that the Attorney General of the Government of the day had not a clear mandate from the people. As far as I remember, it was upon that ground that the Bill failed to pass. It was said that there had been a referendum taken, but that the referendum covered other things. Now matters have been corrected, the Government that is putting this law into effect having been returned to power. It is there by the expression of the will of the majority of the people of British Columbia, and I cannot understand how this House could justify itself in refusing this demand, which comes to us for the third time after having passed the House of Commons.

I confess that when I picked up this Bill a moment ago I felt so discouraged by the fate that it had met in this Chamber two or three years ago that I said, "This is the same Bill." But, in view of the explanation which my right honourable friend has given, and the statement made to me that a curse existed which could be cured if this Bill were passed, I appeal to my honourable friends to allow the Bill to pass at this time.

Hon. W. B. ROSS: Honourable gentlemen, the honourable member for Ottawa (Right Hon. Sir George E. Foster) has stated that the curse of the situation in British Columbia is the export house. As I understand it, the Province of British Columbia has for years had that matter entirely in its own hands, and no licenses could be given by the Department here in Ottawa to an exporting house until the Attorney General of British Columbia had assented to the granting of it. So far as that is concerned, and the honourable gentleman says it is the crux of the matter, there does not seem to be any necessity for this Bill at all.

There is another point to which I would like to refer. At one time they had a referendum in British Columbia, but part of that referendum was on the question of the right of private persons to import for their own use. Back of this Bill is a movement on the part of the British Columbia Government to take away by legislation what the people got by a referendum. If they have a referendum in British Columbia on the question of whether or not a private citizen is to have the right

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to import liquor for his own use, and it is decided in the negative, that ends it for me: I have nothing more to say.

I was in British Columbia two years ago, and I made particular inquiries to find out what the sentiment there was, and what the facts were. I was told by some of the ladies who head temperance organizations, and others, that they were not in favour of this movement-that it was a movement to turn the Government of British Columbia into a grog shop, to enable them to get the thing into their own hands, and make money out of the sale of liquor. More than that, the principal of the Presbyterian College out there published a pamphlet on this matter, saying that the Government there was wrong about it, and that what the Senate had done was right. That gentleman lives in the country, and is a man of repute, and I take his statement as practically final in that regard.

Hon. Mr. DANDURAND: I want to put this proposition to my honourable friend. I will adjourn the discussion on this Bill for an hour or two, or until to-morrow forenoon, and if he comes to this Chamber at that time and tells me that the members for British Columbia in the other House are opposed to this Bill. I will not insist upon it; but if the members for British Columbia, who represent two or three of the parties in the other House, have agreed upon this measure, then I will say that the Senate of Canada has no right to balk the will of that Province. Hon. W. B. ROSS: All that means is that you are going to count heads. The best thing is to get down to facts and arguments. Is it a fact that the Government of British Columbia has the power to destroy export warehouses?

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

SOLDIER SETTLEMENT BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 208, an Act to amend the Soldier Settlement Act, 1919.

He said: This Bill provides that a 40 per cent reduction shall be allowed on live stock purchased prior to the 1st of October, 1920; and 20 per cent on live stock purchased after the 1st of October, 1920, and prior to the 1st of October, 1921.

In the annual report of the Soldier Settlement Board, dated December, 1924, in treating of the deflation in values, it is stated on page 8:

The greater number of soldier settlers in Canada bought at the peak of war time prices. Those who sold to them reaped the benefits of the inflated prices, and the soldier settler now finds the property to be worth less than the government charged them for it; that is, they have become the victims of the deflation caused by the aftermath of the war they had won. For instance, soldier settlers bought in Canada before the slump in values live stock to the extent of approximately \$13,500,000. To-day that live stock is worth less than half that amount.

I give an extract from the annual report of the Soldier Settlement Board:

The survey shows that, while the value of the animals possessed by soldier settlers is less in the aggregate than the previous year, there has been a substantial increase in the number of milch cows, swine and poultry. Soldier Settlement Board supervisors have constantly kept before settlers the importance of increasing their revenue producing live stock and poultry. The following table shows a comparison of the number of milch cows, swine and poultry in possession of 18,598 settlers during the years 1921, 1922 and 1923:-

Year	Milch	Milch Cows		Swine		Poultry	
	Total No.	Per Farm	Total No.	Per Farm	Total No. P	er Farm	
1921 1922 1923	63,717	3.50	$\begin{array}{c c}7 & 37,520 \\ 46,107 \\ 105,019 \end{array}$		582,748 812,935 996,233	$32 \cdot 28 \\ 43 \cdot 74 \\ 53 \cdot 57$	

Figures for other live stock are:-

Work-horses	66 845
Other homes	00,040
Other horses	15,131
Cattle, other than milch cows	90,688
Breeding sheep	8.728
Other sheep	4,859

An estimate has been made of the value of crops produced on the farms on which reports have been made. For 1923 the value of crops produced was \$13,882,454,95, with an average per settler of \$746.45. A comparison of three years' crop production shows the following figures:---

1921		
1922	15,966,202	67
1923	13,882,454	95

Hon. W. B. ROSS.

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The estimated value of live stock in possession of same soldier settlers for three years shows:-

Year	Estimated Total Value	Average Value per Farm
	\$ cts.	\$ cts.
1921 1922. 1923.	1 13 398 397 40	735 53

While these figures show that there has been an increase in the numbers, the value of live stock was less in 1923 than in 1922.

By provinces the value of crops produced and the value of live stock are shown in the following table:-

Province	Value of Crops produced	Value of Live Stock held by Settlers
	\$ cts.	\$ cts.
British Columbia. Alberta. Saskatchewan. Manitoba. Ontario. Quebec. New Brunswick. Nova Scotia. Prince Edward Island.	$\begin{array}{c} 4,227,675 \\ 90 \\ 5,212,382 \\ 05 \\ 1,203,268 \\ 00 \\ 1,012,101 \\ 00 \\ 171,639 \\ 00 \\ 231,893 \\ 00 \\ 256 \\ 250 \\ 00 \end{array}$	$\begin{array}{c} 3,695,483 \\ 503,394,858 \\ 001,577,072 \\ 001,022,990 \\ 00238,906 \\ 00237,244 \\ 00239,734 \\ 00\end{array}$
Dominion	13,882,454 95	11,805,033 00

The survey shows further that throughout the Dominion 85 per cent of soldier settlers have kitchen gardens, 78 per cent have milch cows, 47 per cent brood sows, 55 per cent other pigs and 78 per cent poultry.

That the Government has not been hard on the soldier settlers is shown by the following facts:

No interest was charged on stock and equipment purchases for	
two years Pay and allowance to soldiers	\$ 1,500,000
and dependents while under	
instruction	224,418
Interest exemptions as provided	
by amendments of 1922	10,269,109
Losses on reverted lands	618,571
No charges for inspectional ap-	
praisal and legal services	724,440
Saving to settlers by discount to	
Government on implement pur-	
chases	1,220,572
Saving to settlers by Govern-	
ment purchases of land at dif-	
ference in vendors price and	
price paid	3,530,113

Special rates over the railways have been procured for the settlers, which has amounted to a large sum.

The total amount of live stock purchased during the periods covered by the Bill is:

Up to October 1st, 1920..... \$ 9,275,000 From October 1st, 1920 to October 1st, 1921.. 2,500,000

					 Concernant of the second se
					\$11,775,000
40%	of	\$9,275,000	is	 	 \$ 3,710,000
20%	of	\$2,500,000	is	 	 500,000

\$ 4,210,000

Hon. Mr. WILLOUGHBY: On some loans the Government made a profit, as a matter of fact. I do not know whether you have any returns as to that.

Hon. Mr. DANDURAND: I think I brought to the Senate last Session a statement indicating operations on land, and I am not sure but it showed some such figures.

Hon. Mr. WILLOUGHBY: There were gains. I know these soldiers have been applying many times for a reduction or re-valuation of their land.

Hon. Mr. DANDURAND: This Bill covers only the live stock.

\$18,087,223

In addition, by the Government loaning the money at a low rate of interest the Government lost approximately 11% per annum. Also, an opportunity has been given to settle on cash-down payment of only 10% of the land value, making the risk far higher for the Government.

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Hon. Mr. WILLOUGHBY: I do not know whether the Government has formed any policy as to whether they will or will not have a re-valuation of the land.

Hon. Mr. DANDURAND: I cannot answer my honourable friend at this moment, but I will try to obtain the information.

Hon. Mr. POPE: In our country the depreciation of land value is a very serious question. I know some farms which were bought for \$3,500 and sold for \$1,500. I do not know how many settlers we have, but there are two or three near my home, and I know of only one who has been successful; he had a brother living near him who gave him practical assistance.

Hon. Mr. DANDURAND: Are there many soldier settlers?

Hon. Mr. POPE: Perhaps not more than ten.

Hon. Mr. DANDURAND: Are they on farms that had been abandoned?

Hon. Mr. POPE: The farms were purchased from occupiers. Of course, the Government inspector looked after the valuations, at the time of purchase, to see that they were not excessive. The depreciation with us, has been very serious indeed.

Hon. Mr. WATSON: The price seemed fair when they bought?

Hon. Mr. POPE: Well, it was the price of that day. It was the time of war prices for agricultural products. A cow was then worth \$125 or \$130; to-day she is worth about \$40. The settlers were not allowed to sell those animals; they were bound to keep them if they could. The same low valuation applied to all the animals, and it has been a serious question.

Hon. Mr. McLENNAN: As I read the Act it does not seem to apply to any soldier settlers who were not in arrears. That seems to me to be creating an unfair distinction between the man who, through saving or being thriftier than his neighbours, has paid up all the obligations he has undertaken to the Government, and who got his cattle, etc., at high prices in 1920, and yet carried on and has made a success-and a great many I understand have done that-and the man who has been less successful in returns, but who will get a very material benefit. It is a question whether the farmer should not be as well treated as the man who has not done as well, and has not met his obligations.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: Does my honourable friend really believe that the Government should proceed to repay the amount that has been paid under a contract by people who have been in a position to pay, because he wishes to help those who, for one reason or another, have been less fortunate than the others? This Bill makes a somewhat compassionate settlement, and my honourable friend suggests that those who are not in need should be treated as on an equal footing with the less fortunate.

Hon. Mr. McLENNAN: We shall probably know in a short time the ultimate view of Parliament on compassionate allowances; but where you have a number of people who are, so to speak, wards of the state, and all started with a handicap, I do think the man who has been successful should get the full benefit of his success. The man who has carried that handicap successfully should not be left, less well off than the man who broke down under it.

Hon. Mr. DANDURAND: My honourable friend forgets that there are varying conditions. One settler may have had better land; another may have had a better crop. It is very difficult to say, in a general way, "We will give 40 per cent reduction," when some are not entitled to it, and those who have paid have simply caried out their contract.

Hon. Mr. McLENNAN: That is definitely my opinion, for whatever it is worth.

Hon. Mr. ROBERTSON: I think it will be found, on reading the whole section, which states in part, "or whose agreement with the Board has not been terminated or rescinded," that very few or any of the returned men who took up land under this scheme have terminated their agreements and made their payments in full, because of the fact that the payments were to run over a long period of years.

Hon. Mr. McLENNAN: But have not a good many been terminated by men abandoning the farm, having proved unseuccessful for one reason or another?

Hon. Mr. ROBERTSON: I think it is intended that all, or nearly all, of the soldier settlers who are still on the land, and whose contracts are still unexpired, shall participate generally and equally on the percentage basis.

Hon. Mr. McLENNAN: That view is not the same as mine.

Hon. Mr. GILLIS: I want to give you an example of the unfairness of this Act. I know of a settlement where there are probably 35

settlers in a certain township and a half. The land was equally valuable. I do not think there was any variation. They all settled at the same time, and all received the usual equipment, and the price of the land was practically the same in all instances. Probably 30 of the 35 have made a success of farming. There may have been five that might be called delinquants, not for any particular reason, except what we find among all classes of society-that they were not as energetic and as fitted for the work as the other 30 who were successful. But under this Act you are placing a premium on indolence. You are giving a reduction of 40 per cent on the value of equipment to men who failed to make good under conditions similar to those under which the others made a success. Naturally the successful ones will reason thus: "We have tried to make good, and have succeeeded; these other five men have have failed because they were indolent, and did not work properly; yet the Government rewards them for their failure," Now, that is not fair. The man who has not made his payments is the one who is going to be rewarded under this Bill.

Hon. Mr. SHARPE: How many of those 30 paid in full for their equipment?

Hon. Mr. GILLIS: That is not the question at all. It is those who are in arrears to-day that are entitled to be paid.

Hon. Mr. ROBERTSON: If my honourable friend will read new section 67 he will find: "or whose agreement with the Board has not been terminated or rescinded."

Hon. Mr. GILLIS: That is absolutely right—terminated by reason of their having left the land.

Hon. Mr. ROBERTSON: If that is the interpretation, I agree with the honourable gentleman.

Hon. Mr. GILLIS: They are entitled under this Bill to a 40 per cent reduction on equipment. That is the way I read the Bill.

Hon. Mr. SHARPE: If they are on the land.

Hon. Mr. GILLIS: If they have not abandoned the land and have not repaid their indebtedness. If they have paid up all theur arrears they do not participate.

Hon. Mr. SHARPE: They do whether they are paid up or not.

Hon. Mr. GILLIS: My honourable friend can have the floor after I have finished. As I understand it, the settler living on his land who has failed to make his yearly payment,

is rewarded under this Bill by receiving a reduction of 40 per cent on his equipment.

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

Hon. Mr. GILLIS: I have on two or three occasions, in this House, advocated a reduction not only on the land where too much money has been paid for it, but also on the settler's equipment. As far as the equipment is concerned, we know that everything was bought at an inflated price, and consequently it is not to-day as valuable.

I will read a petition that I presented to the Minister of Soldiers' Civil Re-establishment from a large settlement in the neighbourhood where I live:

The petition of the undersigned Soldier Settlers begs to set forth:

That, your petitioners have been engaged in farming under the Soldier Settlers Scheme for the past four years, and can affirm that we have worked industriously and with every desire to make our undertaking a success, but now regret to have to admit that we find it impossible to make ends meet for the following reasons: (1) The land, stock and equipment were purchased at inflated prices, which is entirely out of proportion to values that have since and do now prevail; also the fact that the value of everything that we produce has fallen at least fifty per cent.

(2) Owing to rust, frost and other causes, the crops for the past two or three years have been more or less a failure, and this, together with low prices makes it practically impossible for us to carry on.

Therefore, your petitioners beg most respectfully to request that you urge upon the Government that a reduction of at least fifty per cent be made in the land stock and equipment, otherwise many of us will be forced to abandon our farms.

That is the general feeling among a large number of settlers. Many settlers are making good, I am glad to say, but you will find that ultimately the Government will have to come to their assistance by making a reduction in the charges against them for both land and equipment. What has been happening in many places throughout the West? I could cite many instances where the land has been abandoned and the equipment sold for practically nothing. In one case a team of horses for which the Government paid \$450 was sold about two years ago, for \$37; and other things in the same proportion. There is a loss to the country, and in addition to that we are losing a number of good settlers. The Government has an immigration scheme conducted, I understand, in conjunction with the Canadian National, to settle the farms that have been abandoned by returned men. A great deal of money is being wasted in the attempt to secure additional settlers. Would it not be better to make a substantial reduction both on the land and on the equipment, and try to keep our own men on their farms? If they leave the land and the equipment is sold, we lose heavily; consequently, in my opinion, the Government would be wise in taking the course which I have outlined, that is, in making a general reduction on an equitable basis throughout the country.

Hon. Mr. DANDURAND: I may inform my honourable friend that there are 700 soldier settlers who have paid in full and are not included.

Hon. Sir JAMES LOUGHEED: Do they get the reduction?

Hon. Mr. DANDURAND: No; it is simply those who are on the land.

Hon. Mr. GILLIS: And in arrears.

Hon. Mr. DANDURAND: Not necessarily in arrears.

67. Notwithstanding anything in this Act, in the case of any settler who has not repaid his indebtedness to the Board, or who has not abandoned his land.

Hon. Sir JAMES LOUGHEED: That would mean that the man who has not abandoned his land, but who may have paid up all the obligations—

Hon. Mr. SHARPE: He would be entitled to a reduction.

Hon. Sir JAMES LOUGHEED: Would he?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. McLENNAN: I think it might be made clearer.

Hon. Mr. WILLOUGHBY: I do not know how that "or," in the third line, is to be construed. Does it refer to alternative conditions, or should it read "and"

Hon. Mr. DANDURAND (reading):

In the case of any settler who has not repaid his indebtedness to the Board, or who has not abandoned his hand, or whose agreement with the Board has not been terminated or rescinted—

It comes within any of those categories. *

Hon. Mr. WILLOUGHBY: Then a man who has not repaid his indebtedness and who has never had his agreement cancelled, or abandoned his land, technically speaking, would come in for this reduction?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. GILLIS: Roughly, how many men will participate in this reduction?

Hon. Mr. DANDURAND: About 18,000.

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. GILLIS. Hon. Mr. Gordon in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

CANADA TEMPERANCE BILL BILL REJECTED

The Senate resumed consideration of the motion of Hon. Mr. Dandurand for the second reading of Bill 209, an Act to amend the Canada Temperance Act, and the proposed amendment of Hon. Mr. Reid.

Hon. Mr. DANDURAND: I moved the second reading of this Bill, and there was a motion in amendment. I hope my honourable friend will not insist upon his amendment.

Hon. Mr. REID: Oh, yes, I do insist.

The amendment of Hon. Mr. Reid was agreed to on the following division:

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BOARD OF AUDIT BILL SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 233, an Act to constitute a Board of Audit.

He said: Honourable gentlemen, the Audit Board Act of 1923 provided that the Board should cease to function on the 1st of July, 1925. That Act provided that the Board should consist of four members, the Auditor General and the Deputy Minister of Finance being two, the other two being chartered accountants. The present Bill provides that the membership shall be not less than three and not more than five. One of the members must be a chartered accountant. The new Board shall act as advisers to the Treasury Board and on its instructions shall investigate:

(a) the sufficiency of the methods of accounting and of the procedure in other respects employed in the conduct of the public business of Canada or of any department or detail thereof;

(b) the economies which may be effected in any of the public services or in the conduct of the public business;

(c) the financial affairs of the Canadian National Railway Company and the Canadian Government Merchant Marine, Limited, and any other undertaking owned or carried on by the Government of Canada;

(d) the financial affairs of any commission or other public body the operations of which are carried on by appropriations from the Treasury of Canada, or which are aided by grants or loans from the said treasury.

The members shall hold office for a term not exceeding five years, but shall be eligible for re-appointment.

Hon. Sir JAMES LOUGHEED: Did my honourable friend read "the National Railways?"

Hon. Mr. DANDURAND: Yes. My honourable friend will find them mentioned in section 4.

Hon. Sir JAMES LOUGHEED: We shall discuss that later. That is not the all-important investigation that should be made.

Hon. Mr. DANDURAND (reading):

(2) The Board shall from time to time report to the Minister of Finance upon any of the matters entrusted to it, and shall make such recommendations as it may consider necessary or useful for the more efficient administration and control of the public business.

Hon. J. D. REID: Honourable gentlemen, any Board of that kind, if it were composed of good men, would perhaps do a great deal of good in saving money or cutting down expenditures, but if you want first-class men, I cannot for the life of me see how you are to get them at the salaries proposed. In my judgment the sort of men required to fill these positions cannot be obtained at \$3,000 a year, if they are to live here in the city of Ottawa. If you are going to take inferior men, the whole purpose in establishing this Board will fail. Five men at \$3,000 per annum would cost \$15,000. I would rather have two firstclass men and pay them \$7,500 each, than have five at \$3,000. I believe in having a position, especially a financial one, filled by the very best man available. I think that if you had two good men, and associated with them was the Auditor General, with the information that he would have, they could do the work as well as five and you would have a better Board.

However, I desired to ask the honourable leader of the Government whether it is the Government's intention to have five men who will perform no other duties than those in connection with this Board, or will the Government select out of the Service officials who are already on salary and give them \$3,000 each? There are just as good men in the service as can be got outside. I know of men in the service that I would not hesitate to put into a position of this kind, if it is the intention of adding \$3,000 to the salary.

Hon. Mr. TURRIFF: Honourable gentlemen, I would like to ask if it is the intention to pay that \$3,000 to the men named. They are now getting \$15,000 each. There must be some limit to this piling up of salaries.

Hon. Mr. DANDURAND: Non-members of the public service may be paid up to \$3,000 per annum; the chairman may be paid \$1,000 in addition; other members of the public service are not to be paid.

Hon. Mr. McLENNAN: Clause 2 says:

An officer of the public service of Canada shall serve as a member of the Board without compensation.

Hon. Mr. REID: I interpret that clause to mean that those men are going to be only part time employees.

Hon. Mr. DANDURAND: They meet as a Board and decide upon the work to be undertaken, and, under clause 3 they may employ skilled assistance and clerical assistance. They are not on the Board to make an inquiry into each department, for instance. They will decide upon the general policy and will see that it is carried out.

Hon. Mr. REID: Clause 3 states that they shall have a secretary and a staff to do the work that is outlined. I should think that the Auditor General and the Deputy Minister of Finance would be the best ones to decide that matter. If those two men disagree then the Minister would sit in with them, and the result would come before the Treasury Board. I am in favour of a body of men who can take hold of financial matters or other things that come up before the Treasury Board, because there are many things that might be investigated. Generally, there is a full report of matters placed before the Treasury Board by the Department. The Treasury Board has done some excellent work in the past, even as at present constituted. But I do not think it is good policy, if you are only going to call in a few men to sit in Ottawa a few times to lay down the policy and say, "Now, you men, work it out and make a report and we will decide the case."

Hon. Mr. TURRIFF: It seems to me that there will be two men on the Board to whom we are now paying \$15,000 a year each. About three years ago those men received only \$6,000. The Deputy Minister of Finance was drawing \$6,000 a year, and when the present Government' came into power his salary was immediately jumped up to \$10,000, and this year it was jumped up again to \$15,000.

Hon. Mr. REID: That is more than the Prime Minister gets.

Hon. Mr. TURRIFF: Yes. If the Government considers that those men are worth so much money, why is it necessary to appoint two or three more men at \$3,000 each to help them? It seems wasteful to me.

Hon. Mr. DANDURAND: My honourable friend is in error.

Hon. Mr. TURRIFF: I am not in error about those salaries. If those men are worth the salaries they are getting, then we do not want to hire any more men to tell them what to do. At that, I would not be surprised if they needed to be told what to do.

Hon. Sir JAMES LOUGHEED: I have very strong opinions as to what the Government should do in a matter of this kind, and, although it may not be along the lines of the Bill, I shall take the opportunity of suggesting to my honourable friend that instead of a Board of Audit there should be a Board of Controllers. The whole trouble is that the Audit Department apears on the scene after the money has been spent, and possibly The accounts are audited, but squandered. the money is gone. We have in our machinery of Government in Canada no way of investigating an expenditure before it is entered upon. For instance, immediately prior to the meeting of Parliament, the Deputy Minister of each department is required to make up his Estimates. He persuades his Minister that the Estimates which he has made up are imperative and must be voted. The Minister knows little or nothing about it, and the Deputy knows little or There are so many nothing about it. ramifications of his Department that he cannot familiarize himself with every expenditure that is made. In all our machinery of Government, elaborate though it is, we have no way of restraining or checking expenditure. What we should have instead of a Board of Auditors is a Board of Controllers. I am not going to elaborate upon that subject, but would commend it to the attention of my honourable friend, and would impress him with the fact, if I can, that of all things in Canada it is the most needed.

Right Hon. Sir GEORGE E. FOSTER: I just want to say a word or two about this Bill. Casting my eye over the Chamber, Hon. Mr. TURRIFF. I see that there are ten or twelve members present. Here we are with this measure before us, and we are asked as a co-ordinate body of Parliament to devote proper attention to it and to perfect it where it needs perfecting. Would not a visitor from Mars think that this was the most screaming farce that he had ever experienced? Why is it that a Bill of this kind, which could just as well have been here in the first two or three weeks of the session, is kept until the very night before we are to prorogue?

Now, what is this? My honourable friend is fertile in more or less imaginative ideas which will effect great savings to this country. With what a flourish of trumpets a new Auditor General was introduced into this House through the legislation necessary to create him. You have your Auditor General and you give him \$15,000 a year; you then put alongside of him help and assistance, to what extent I do not know; I had intended to ask for that information. This gentleman has a very considerable entourage that he has brought into the system in addition to those who were already in the service at a time when, generally speaking, the service was well known to have been overmanned. What has this heavenborn Auditor done? He has been two years in office.

Hon. Mr. DANDURAND: The honourable gentleman is wrong.

Right Hon. Sir GEORGE E. FOSTER: Well, very nearly so, and the only real result that I have seen is that he and sundry of the Ministers are at loggerheads to the extent of criticizing each other in the Public Accounts Committee. Can my honourable friend point out one single improvement in the whole auditing business since the new Auditor General and his staff have been placed in office? Now, what is this?

Hon. Mr. DANDURAND: This is the continuation of the Audit Act which we passed.

Right Hon. Sir GEORGE E. FOSTER: This is a continuation of the Audit Act to add more and more machinery. But for what purpose is it to be added, and what is the machinery? You are going to get three men or five-no one doubts that it will be five; so you will have five men at \$3,000 each, and the Chairman, who will get \$1,000 extra. When you say that in order to get a good Auditor General you must go outside to get a man and must pay him \$15,000 a year, what kind of a man do you propose to get for \$3,000 a year? You will have those men as advisers. What will take place? Those three or five men will sit down and collogue with

each other and will come to certain conclusions, and just as surely as my honourable friend has a head on his shoulders the next thing will be a large clerical staff. What is the duty that is to be carried out by these men? In the first place, they are to look into:

the sufficiency of the methods of accounting and of the procedure in other respects employed in the conduct of the public business of Canada or of any department or detail thereof.

What is the Auditor General for, and what is his staff for if it is not to look into the methods of accounting? You have him, and pay him \$15,000 a year and provide him with assistance, and then you come in and appoint five other persons who are to look into the methods of accounting. The methods of accounting are all under the ken of the Auditor General who, if he knows his duty, knows the defects. Why do you need five other men to undertake an audit along with this high-salaried man who is supposed to be a man of experience?

There is another purpose. They are to inquire as to:

the economies which may be effected in any of the public services or in the conduct of the public business.

Well we have had this talk about inquiry into economy, and we have had inquiries too; but where are the economies? After the Auditor General was appointed we were to have economies; but where are they?

Then you have something mighty important:

the financial affairs of the Canadian National Railway Company and the Canadian Government Merchant Marine, Limited, and any other undertaking owned or carried on by the Government of Canada.

What quality of men must you have if you are to refer to them and put upon them the work of going thoroughly into the whole financial management of the Canadian National Railway? Such an undertaking will either be a farce or it will be one of the most expensive operations that the Government ever undertook. There you have all the ramifications of 28,000 miles of railway, with its hundreds and thousands of employees of all kinds and all grades and everything like that and a financial network connecting the whole of them together, and you are going to have these five men examine into all details. If there is anything of real importance to be done, if there is to be any confidence placed in what is done by those men, you must have experts, men of the greatest ability, of character and if they are going to do anything effective in searching into and mastering the subject of the finances of this 28,-000 miles of railway and the Government Mercantile Marine, not to speak of other

things, you will have to give them every latitude. I think the undertaking is enormous, if you are going to do anything except merely make a gesture and vote salaries for these different persons. Then they are to carry on examinations into:

(d) The financial affairs of any Commission or other public body, the operations of which are carried on by appropriations from the treasury of Canada, or which are aided by grants or loans from the said treasury.

Then they branch out into a still more extended piece of work. On every Commission, every work that is carried on, these men are to be a Committee to examine its operation, and skilled help is to be provided for all of this. What will it amount to? What are the costs that will be necessary for this thing? And, as the honourable leader of our side of the House said, there is not a bit of control in the whole thing. What we do need is something to control expenditures. This Government, in the Estimates it has brought down this Session, has made this glaringly apparent.

My honourable friend possibly knows something about, and has studied, the system in vogue at Washington, whereby not simply examinations are made into items for which appropriations have been made, but there is control by the financial head, who is under the President himself. Under him is the machinery of the Control Bureau, and every vote which is passed in both Houses at Washington, and authorized as it were, goes to that Bureau. Every one of those votes is canvassed by Commissioner Lloyd, under the authority and sanction of the President, whose instruction is to cut down every appropriation which is not necessary even after it has been made in the Houses of Congress. Mr. Lloyd takes up with the different Departments these appropriations, and if a Department has \$300,000,000 or \$400,000,000 to expend he says to the head of that Department: "Is this all necessary?" Unless it is proved to him to be necessary he jots that down to be stricken off. He asks: "Is this expenditure one that will be absolutely profitable? Must it be made?" And unless satisfactory proof is given, that is jotted down. After he goes through the whole of the departments he comes with his report to the President, and points out the things which should not be gone on with this year, even though the moneys have been voted. The President backs him up to the extent that he thinks necessary. In that way they have cut off, year by year, anywhere from \$100,000,000 to \$300,000,000 from appropriations which had passed the Houses of Congress, and gone to the Departmental heads.

Suppose we had some system of control like that, the controller being a man who stood with the Prime Minister behind him. With an eye to real economy, do you think you would have passed in the other House and put before us a vote this year of \$1,250,-000 to build an elevator at Prince Rupert?

Hon. Mr. REID: And one at Victoria, British Columbia.

Right Hon. Sir GEORGE E. FOSTER: Do you think you could have got a controller, with a head who directed him, who was honest in the matter of economy, who would have authorized the spending at Halifax this year of \$1,250,000 or thereabouts for an elevator, and other sums for elevators all over? That is the kind of thing we want in this country, and without it you will never get economy, but rather you will get extravagant expenditure, and multiplication of servants and We will never get at economy officials. in public service unless we have some one who can go into departments and discuss with the heads of departments and say: "You have this much appropriation; we think it is not necessary for you to spend that; show us the necessity, and if you cannot, it must be lopped off." The thing needed is to get a body of control which shall prevent unnecessary expenditures. and we will never get economy by simply appointing persons with large staffs to examine into matters and add other persons, and still other persons, the former and the second of which have not performed any real service in the way of economy, but have been adding and constantly adding to expense of administration.

Really, it does seem that under our methods here we may bid good-bye to any kind of real practical economy being exercised by Governments and parties. It is getting very close to that, and the country all the time has to pay the shot; and our country is burdened; it is staggering under its load. My honourable friend knows in his heart that our country is staggering under its present financial load, under the enormous taxes taken from the pockets of the people, and from the industrial life of the country. We are starving ourselves by this extraordinary taxation, and driving out of our country people who would be consumers in it, because if you lose a family that goes over to the other side you have not only lost a company of producers in this country, a company of taxpayers here, but you have lost a company of consumers, who, if they had remained here, would have added to the consumption of natural and manufactured Right Hon. Sir GEORGE E. FOSTER.

products. Every hundred people who go out of this country lower the power of our country by just that much, and they go to build up another country. You lose them in the taxable list, and also in the consuming list; and if you lose 250,000 people you lose a community whose loss is seriously felt in all the producing enterprises of the country, for unless we have consumers we cannot have producers working on an economical basis.

Do not honourable gentlemen really think we have come to the time when we must have economies in the way of expenditure rather than an addition of officials to look into expenses that have been wastefully made?

Hon. Mr. DANDURAND: Honourable gentlemen, I have listened with considerable interest to the disquisition of my right honourable friend on the drawbacks of democratic government. Those drawbacks he knows far better than I do. He has been at the helm himself, as Minister of Finance. For 30 years he dominated the House of Commons by his eloquence, and he continues here, and I hope that for many decades he will be among us.

All that he has painted to us as being defects under our administration he has seen and felt for over 30 years. But the solution is so difficult under our system that he has done nothing to mend methods which he admits to be bad, although he passed through a regime during which money was being spent by millions and hundreds of millions during five years of war. We had the open confession of one of his colleagues in this Chamber that there was an orgy of expenditure-that people were drunk with expenditure; yet there was no Board of Control; and why? Because our system is totally different from that of the United States, where there is no ministerial responsibility. The two Houses of Parliament there are without any leader, without any direction. The motto used to be, "Scratch my back and I'll scratch yours,' when the groups were struggling to get millions spent in one state or another. There was over them only the threat of the veto of the President; that was all. Gradually they realized that the Congress of the United States was a rudderless boat, and in the face of the appalling expenditure occasioned by the war they decided that some instrument should be created that would intervene. The President of the United States, who was the only one who could check expenditure temporarily-because he could be overthrown -decided to put a controller between him and the expending Legislature.

But how could that system on the other side of the line which my right honourable friend admires function here? It could only function if Parliament decided by an Act to place at its head a master. Thus far the administration is in the hands of Ministers, heads of Departments who scrutinize, or are supposed to scrutinize, the Estimates that are brought to them; and when they have scrutinized them, those Estimates are brought to Council. That is where the power of the Council lies: they examine those Estimates, use the pruning knife to the best of their ability. When they reach a certain con-clusion those Estimates are presented to the House, and when they pass the two Houses of Parliament they become law. But you cannot abridge the powers of the Executive; you cannot put over them a master, or paralyze them, or prevent them from administering the affairs of the country, and pass that responsibility to individuals, except by a law of Parliament.

Now, has my right honourable friend ever thought for a moment that, dominating the House of Commons as he did, with his party and his friends and his personal influence, he could ever bring the House of Commons to pass an Act by which the control of the expenditure of the whole budget would be lifted from the House and from the Executive, and passed over to one man? The President of the United States does that because he has the full power by his right to veto.

Hon. Mr. BEIQUE: He is a dictator.

Hon. Mr. DANDURAND: Yes, he is a dictator; but we are under a totally different system. My right honourable friend realizes that the system is different, because the President could alter that system, and could create the Controller, the master, whose name to-day is General Lloyd.

Hon. Sir JAMES LOUGHEED: We will do that bye-and-bye. Now let us get back to our muttons, so to speak.

Hon. Mr. DANDURAND: Yes; getting back to our own Bill, muddling through our system, imperfect as it is, but democratic, the British system of Government, we have the Audit Act of 1922 before us. The Board of Audit has been organized. There are two or three members of that Board who have gone on their way, and are working. What are they doing? On what have their labours been expended, and in what departments? What have they done? I cannot tell my right honourable friend now; I can perhaps do so to-morrow; but I can tell him of the existence of the Audit Board.

The Auditor General is a new appointee. He receives \$15,000 because he would not come, and no one of his class would come, under that sum. It is a small sum, compared to the salaries of dozens of men whom I know of in my own city, who have far less responsibility than that of the Auditor General of Canada, but a much larger salary. He has to apply the Audit Act of Canada. He does so, and since he came he saved the very increase that we gave him, simply in the form of printing the last Auditor General's Report. My right honourable friend, when he sees that report, will find that the increase of salary has been fully earned. I would not begrudge the salary if I saw the Auditor General doing from year to year things that are effective; but he has hardly had time to turn around and organize his own office, and put to work his own staff. I hope he will do well; he is an expert who knows his business.

This Audit Board has far wider powers, and I hope that some good will come out of it. There are to-day three men, I think; I know one of them, a very good accountant. To what extent they have carried on their work I cannot say, but I know it is in existence. Does my right honourable friend want to stop them in the work that they have begun? At this moment this Board is practically the only real hope we have that there will be economies practised. They can within a few months, with real work, save hundreds of thousands of dollars. I suggest that we do not stop this work. We do not know what the Board has done, but I ask that we take the second reading of this Bill.

Hon. Mr. REID: This Bill contains clauses that I certainly could not approve of. Both Houses of Parliament have passed a law providing that no civil servant can be appointed except by the Civil Service Commission. We cannot appoint the Gentleman Usher of the Black Rod. Even the Auditor General's Department to-day cannot employ skilled men of any kind, or any employee, except through the Civil Service Commission; but now we are constituting a Board, and giving it authority to appoint all the employees they wish, and the Civil Service Commission has nothing whatever to do with the appointment. Is that right?

By clause 3 we give this Board large powers, and I agree with what has been said by other honourable members, that they will have a great big staff. But for this Board the Civil Service Commission are not qualified to make appointments. The clause says:

The Board may, with the approval of the Treasury Board, engage from time to time such skilled assistance as may be requiredEveryone will be a skilled assitant; that is the way they will do without the Civil Service Commission. It goes on:

to conduct or facilitate the inquiries to be made by the Board, and such compensation shall be paid for such skilled assistance as the Treasury Board shall allow. Such clerical assistance as may be necessary for the purposes of the Board, including the services of a competent person to perform the duties of a Secretary to the Board, shall be supplied from time to time as the Treasury Board may direct.

Now, I ask honourable gentlemen if it is fair that any Department or Commission such as the Board of Railway Commissioners or the Pensions Commissioners should appoint its secretary when the Civil Service Commission only have power to make all such appointments? I think that is an objectionable clause. If the Civil Service Act is good this clause should not be in this Bill, or else the Civil Service Commission should be abolished.

This Bill is one of the most important we have had to deal with, and it should not be pressed on us within 24 hours of prorogation. I would suggest that even if it is to be put through it should go over till to-morrow, so that we may look it over. We should not be asked to continue in session at this late hour. Is it to be forced through without our having even an opportunity to give it one hour's consideration? No one has read over the Bill until we came here to-night. Is it fair to try to pass it at this time? Surely the honourable gentleman will accede to my suggestion and let us go home and have a rest, so as we may be ready for the hard day's work that we must do to-morrow if Parliament is going to prorogue.

Hon. Mr. DANDURAND: No. I have no pity for my honourable friend. He can stand with the youngest and strongest. He can remain here till the wee small hours. We intend to clean the board. I move the second reading of this Bill.

Hon. Mr. TURRIFF: Honourable gentlemen, the discussion we have heard here tonight makes it absolutely clear that it is not fair to call upon us to vote for this Bill without having more information. We have no information whatever of what this Audit Board has done in the past to earn its salary, or what it has accomplished. I do not think we ought to give the Bill its second reading. Therefore I move:

That the Bill be not now read a second time, but be read a second time this day six months.

Hon. Mr. REID: I have much pleasure in seconding the amendment, when we cannot have an opportunity to consider the Bill.

Hon. Mr. DANDURAND: I would draw the attention of honourable gentlemen to the Hon. Mr. REID. fact that the Audit Act will expire before the end of six months; so we either end it or by passing this measure we continue it.

Hon. Mr. McLENNAN: You mean the Audit Act of 1923?

Hon. Mr. DANDURAND: Yes.

The amendment of Hon. Mr. Turriff was negatived: yeas, 4; nays, 11.

The motion for the second reading of the Bill 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 2, subsections 1 and 2 were agreed to.

On section 2, subsection 3-term of office:

Hon. Mr. REID: Subsection 3 says:

The persons so appointed shall respectively hold office for such period, not exceeding five years-

I would suggest that it should be during pleasure. I do not know whether an amendment to that effect would be acceptable or not. If a person is appointed for five years, and that period is specifically mentioned in the Order in Council, I think it would be pretty difficult to remove him in the event of his being unsatisfactory; whereas if the appointment were made "during pleasure" it would be more within the control of the Governor in Council.

Subsection 3 of section 2 was agreed to.

Subsection 4 of section 2 was agreed to.

On section 3—skilled assistance and clerical assistance:

Right Hon. Sir GEORGE E. FOSTER: Why does this section take away from the Civil Service Commission the appointments to be made? Here is a whole body of help, which may mount up to scores and hundreds, and this Board, with the approval of the Treasury Board, may engage them all. That is, the appointments become absolutely Government or party appointments.

Hon. Mr. DANDURAND: I do not believe that.

Right Hon. Sir GEORGE E. FOSTER: You do not believe that?

Hon. Mr. DANDURAND: No. The Board, needing assistance, knows the sort of help it wants and will select a man suitable for the work and ask the Treasury Board to sanction the appointment. Surely when the Government creates a Board of this kind and imposes upon it certain obligations, it will not thrust upon the Board persons with indifferent qualifications to do work which is known to require knowledge, skill and experience.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend surely knows that the statement may be absolutely true. It may be necessary to have men with certain qualifications, but the Government will be told, "You can find such men in our party."

Hon. Mr. DANDURAND: No. I say no because I have seen the working of this Board. When you seek expert knowledge you take the best man available. In this case you look among the accountants and men of that class, and generally they are outside of politics altogether. I have in mind special auditors and accountants in about twenty offices in Montreal, who do the work of very large concerns, and who know that they are serving people of all shades of opinion. I do not believe that any Government will watch the Board to see that it appoints a Grit or a Tory. If it did, I should think the men appointed would be below the standard.

Right Hon. Sir GEORGE E. FOSTER: If the Government did not stop to do that, there would always be Government supporters on hand to do it.

Hon. Mr. DANDURAND: They do not know what takes place.

Right Hon. Sir GEORGE E. FOSTER: Their presure and their recommendations would have to be taken into account. If the argument of my honourable friend were applied to the heads of other Departments, the Civil Service Act would be done away with entirely. This is a direct blow at the Civil Service system; but it is only one of many of which the present Government has been guilty.

Hon. Mr. DANDURAND: I do not believe that.

Hon. Mr. REID: But the honourable leader of the Government is hardly right in that statement of his. He has been referring to some special work. He should have read a little further in this section. It says:

Such clerical assistance as may be necessary for the purposes of the Board-

That is where hundreds will be employed— —including the services of a competent person to perform the duties of a Secretary to the Board, shall be supplied from time to time as the Treasury Board may direct.

The appointment of the whole staff is to be placed outside of the jurisdiction of the Civil Service Commission. For clerical work there is not one appointment made in any other Department in this way that you are now starting.

As an amendment I move that section 3 be amended to read as follows:

All appointments necessary for the carrying out of this Act shall be made by the Civil Service Commission, in the same manner as appointments are made for other Departments.

Right Hon. Sir GEORGE E. FOSTER: That takes in skilled assistance.

Hon. Mr. REID: Yes. Skilled assistance for this Board will be engaged in the same way as for the other Departments. There is no trouble about employing skilled persons through the Civil Service Commission. If a Department wants some man temporarily, the Civil Service Commission never object.

Right Hon. Sir GEORGE E. FOSTER: Surely my honourable friend (Hon. Mr. Dandurand) cannot object to that. Surely he does not want to ignore entirely the Civil Service Act, which is applicable to all other appointments.

Hon. Mr. DANDURAND: My honourable friend seems scandalized that we should think of exempting this organization from the operations of the Civil Service Act. I have not studied the effects of the Bill sufficiently to know to what extent the staff is freed from control by the Civil Service Commission. My right honourable friend himself, was in office, not six years ago, as was my honourable friend by his side, and they created a new branch and engaged hundreds of employees without putting them under the Civil Service Act.

Hon. Mr. REID: What one is that?

Hon. Mr. DANDURAND: The Income Tax Office. There are in the city of Montreal alone about 200 employees, and there may be as many in Toronto; yet my right honourable friend and his colleagues in the Cabinet were surely not scandalized at their own action.

Hon. Mr. REID: I may tell the honourable leader of the Government that the staffs of the Income Tax Offices in different places were appointed temporarily, and we went out of office very shortly afterwards. Why has the honourable gentleman not put them under the Civil Service Act? I am in favour of putting them under it now.

Hon. Mr. DANDURAND: My honourable friend has rented two or three floors of 734

the Shaughnessy Building, on McGill street, in Montreal, and had filled them with a formidable staff. I do not say that that was extravagant. I have not investigated the necessity for that staff, but I am simply mentioning that this same method was followed in connection with the work of the Income Tax Branch. I might have had something to say with regard to the distribution of patronage, if there were such a thing, in the Income Tax Branch, which has a large number of employees. I have asked the Minister to consider the claims of young men from the School of Higher Commercial Studies, who had fitted themselves for the higher office work of corporations and large firms. I have pot said that Mr. A or Mr. B should be engaged because he belonged to such and such a party. I have said that anyone coming with his diploma should be given preference. That has been the extent of my recommendation. I do not believe that those who are charged with the administration of the country's affairs are thinking only of the party machine. I would leave considerable leeway to the accountants already on the Board in the selection of a proper staff.

Hon. Mr. REID: You cannot appoint a person in the Auditor General's Department except through the Civil Service Commission.

Hon. Mr. DANDURAND: I know that.

Hon. Mr. REID: And you get first class men.

Hon. Mr. DANDURAND: Not always. There is such a thing as an examination on certain lines which will demonstrate efficiency in mathematics or some other subject when perhaps the candidate is unqualified in some other respect. Of course, the Deputy Minister or the Auditor can, after a trial of six months, reject the person selected and ask for someone else.

Hon. Mr. REID: I think the honourable Leader of the Government is wrong with reference to the appointees not being well qualified. As I understand it, if an important position is to be filled experts come in from outside to sit with the Board and examine the candidates. They take every means to get the very best men, and I have never heard any complaint of them not getting good men.

Hon. Mr. DANDURAND: I do not know to what extent this Bill falls under the Civil Service Commission. The accountants on the Audit Board will know the various staffs in the places from which they come—Toronto and Montreal—and will know exactly where Hon. Mr. DANDURAND. they can lay their hands on the men they want; yet they may be given any stranger that comes through the examinations, and who may not be at all suitable for the work they have in mind. If I were asked my preference, independent of the law, I would say trust those men. When the right honourable gentleman (Right Hon. Sir George E. Foster), with his colleagues, selected a large American or Canadian firm to do a certain work, did he tell that firm that he would impose upon it a staff selected by someone else? No. He allowed it a free hand in doing a work which it seemed to be qualified to do with its own organization.

Hon. Mr. REID: Really, we should have a little information as to how these men are going to audit the books of the Canadian National Railways and so on. Has the management of that concern been advised of this Bill? If we had the Bill before a Committee I think we could improve it. Will the honourable gentleman let it stand until to-morrow morning? There is just this one clause to stand, and we can consider it in the meantime.

Section 3 stands.

Sections 4 to 7 were agreed to.

On section 8-Auditor General's powers preserved:

Hon. Mr. DANDURAND: I move that all the words after "Canada" in this section be struck out.

The motion was agreed to.

Section 8, as amended, was agreed to.

Sections 9 and 10 were agreed to.

Progress was reported.

HOME BANK DEPOSITORS RELIEF BILL REPORT OF CONFERENCE

Hon. Mr. BEIQUE: Honourable gentlemen, I have been asked by the members of the Conference on Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada, and the amendments thereto, to make the report of the Conference. The report is to this effect:

The Managers for the Senate have met in conference with the Managers on the part of the House of Commons on Bill 182, an Act for the relief of the Depositors of the Home Bank of Canada, and the amendments thereto.

The Managers on behalf of the Senate report recommending that the Senate doth not insist upon their seventh amendment, namely, the preamble to the Bill, to which the Commons have disagreed; and

That the fifth amendment be amended by inserting after the words "special need" in the fifth line of paragraph one of clause a of the said amendments, the words "or in straitened circumstances." Honourable gentlemen will see that the first change is merely the dropping of the preamble of the Bill. It does not affect the Bill in any shape or form, because the Bill itself contains practically what was in the preamble.

As to the other amendment, under the Bill the judge of the Exchequer Court is given authority to come to the relief of depositors in the Bank who can show that they are in special need because of the failure of the Home Bank, and we suggest adding the words, "or in straitened circumstances." We do not think that makes any difference at all.

Hon. Mr. REID: May I ask if the agreement was unanimous?

Hon. Mr. BEIQUE: Yes.

Hon. Mr. REID: Then the House of Commons accepts the Bill?

Hon. Mr. BEIQUE: Yes.

Hon. Mr. BLACK: In view of the fact that two members, including myself, did object to the omission of the preamble, it was not unanimous.

Hon. G. G. FOSTER: I presume that I am one of the members of the Committee that my honourable friend refers to. I did not go the length of entering any objection, and I do not think that my honourable friend did.

Hon. Mr. BLACK: Yes, I did.

Hon. G. G. FOSTER: The substance of the preamble is contained in the Bill half-adozen times, and we did not think that amendment meant anything.

So far as the other amendment is concerned, it was absolutely unimportant, and I do not think it adds one particle to the obligation. As the House of Commons members of the Conference submitted to the changes in the Bill with regard to the amount, distribution, and machinery, I felt that this House would concur in the suggestions that we adopted.

I move that the report be concurred in.

The motion was agreed to.

Hon. G. G. FOSTER: I would move that the amendments submitted by the Conference be entered as the decision of this House, and be communicated to the House of Commons.

The motion was agreed to.

RAILWAY EXPENDITURE

REPORT OF SPECIAL COMMITTEE

Hon. W. B. ROSS moved concurrence in the report of the Special Committee appointed to inquire into and report upon the best means to relieve the country from its heavy railway expenditure.

He said: Honourable gentlemen, all I have to do is to move the adoption of this report. I am sorry that the honourable Senator from Mille Iles (Hon. Mr. David) is not present, as it was he who originated this inquiry.

I do not want to say too much about the report; but I think it will be found to be a valuable one, and that this House owes something to the honourable Senator who originated the Committee. The report is not the report of any one man; every member of the Committee had something to do with it. The attendance of the members of the Committee was wonderfully regular, every member being present, I think, at every meeting. The greatest interest was evinced in the subject that we were investigating, and I think we owe the thanks of this House to the gentlemen who appeared before the Committee for the candid, straightforward evidence which they gave; I think they gave us of their very best. There was a special reason why we should not have their evidence taken down in writing. We knew it was a pretty broad inquiry, and that a man making a statement, thinking it was for publication, which he would do if it were taken down, would fence around his statements with qualifications and limitations which, after all, on the subject that we were dealing with, were not very important in themselves, and probably would have prolonged the inquiry. Further than that, it might have embarassed some of the gentlemen in giving their evidence.

I must say for myself that it was the most satisfactory Commitee of this House that I ever sat upon, and I am in hopes that something important will result from it.

I think it would be wise for this House to keep its hand on this subject, and not allow the matter to drop with the making of this report. We will be here again within a reasonably short space of time, and I think it would be well for the honourable Senator who first moved in this matter to move again, and to keep at it until some solution is found for what is the greatest problem before the people of Canada to-day.

I have much pleasure in moving the adoption of the report.

Hon. Mr. BEIQUE: Honourable gentlemen, I desire to join with the honourable member from Middleton (Hon. W. B. Ross)

\$50

in commending the action of the honourable member for Mille Iles (Hon. Mr. David). I look upon this question—and I think my feelings are shared by every other member of the Committee—as the greatest question that has agitated the minds of the people of this country. You have only to look at the figures mentioned in the report to see that I am not exaggerating its importance.

If I were consulting only my own personal interest I would not be in favour of this report, because I appreciate very highly being a member of the Board of the C.P.R. I may say that there is nothing material in my life that I appreciate more than that position, and I realize perfectly that if effect is given to the report now presented to the House it will involve my disappearance from that Board. But this is a matter of such great importance that all personal considerations must disappear.

I will give some figures which do not appear in the report. The additions to the national obligations of the country for the last five years were nearly \$600,000,000, and for the last six years \$710,000,000.

Now, the capitalization and bonded indebtedness of the Canadian Pacific Railway Company on the 31st of December, 1924, were as follows: Ordinary stock, \$260,-000,000; 4 per cent preference stock, \$100,148,-587.78; or a total of \$360,148,587.78. In addition, there was 4 per cent consolidated debenture stock to the amount of \$264,244,882.08; 10-year 5 per cent collateral trust gold bonds to the amount of \$12,000,000; 20-year 41 per cent sinking fund secured note certificates amounting to \$30,000,000; and mortgage bonds, Algoma Branch first mortgage, 5 per cent, \$3.650,000; or a total capitalization of \$670,-043.469.86. This is on the Canadian Pacific property.

In addition, there are obligations of subsidiary companies which amount to \$35,-015,000. The figures appear in the report, and might be put in the Minutes, if necessary:

Fixed char	ges for year ended December 31st, 1924
£200,000	St. Lawrence & Ottawa Ry.
	First Mortgage Bonds, 4% \$38,933 34
\$2,544,000	Man. S. West. Colzn. Ry.
	1st Mortgage Bonds, due
	June 1st, 1934, 5% 127,200 00
£4,007,381/15/5	Ontario & Quebec Ry. De-
	benture Stock, 5% 975,129 56
\$2,000,000	Ontario & Quebec Ry. Ordin-
and the second states	ary Stock, 6% 120,000 00
£1,330,000	Atlantic & North West. Ry.
	1st Mortgage Bonds, due
	January 1st, 1937, 5% 323,633 34
£750,000	Algoma Branch 1st Mortgage
	Bonds, due July 1st, 1937,
	5% 182,500 00
\$500,000	New Brunswick Southern Ry.
	1st Mortgage Bonds, due
	January 1st, 1933, 3% 15,000 00
Hon. Mr.	BEIQUE.

00,000	Lindsay,	Bobo	aygeon	n & Pon-	
	typool	Ry.	1st	Mortgage	
	Bonds,	due	July	1st, 2002,	
	4%				20,000 00

Making a total of \$35,015,000. Added to the \$670,043,469.86, this makes a total of \$705,-058,000. Apart from that, there are amounts due for rentals of railway, amounting to \$1,-557,355. So that the whole capitalization, including bonding liability and rentals, amounts to a little over \$700,000,000.

The report was concurred in.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

. Friday, June 26, 1925.

First Sitting

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

COST OF GRAIN INQUIRY, ETC. INQUIRY

Hon. Mr. GILLIS inquired of the Government:

1. What was the total cost of the Royal Grain Commission authorized by Order in Council, May 1, 1923, including cost of printing Report?

2. What amount (if any) was paid for drafting the 1925 Grain Act and to whom paid?

Hon. Mr. DANDURAND:

Department of Trade and Commerce- 1. Cost of Grain Inquiry Commission, 1923. Cost of printing report, 50 copies		09 66
e dia luitane a homena e obje	\$170,022	75
 Legislation regarding Grain Act— Mr. Justice Turgeon (living allowance) L. E. Cross, remuneration \$335 00 L. E. Cross, living allowance. 468 00 L. E. Cross, sundries 5 28 	\$ 1,060	00
the second se	808	28
Lola Hall, stenographic services	20	00
the Contented statuted to the	\$1,888	28
House of Commons—		
Interim report of Grain Inquiry Commis- sion:		
1,000 English copies	\$ 93	22
500 French copies	102	77
Final report, 425 copies	682	54
	\$878	53

Hon. Mr POPE: How much was paid to Mr. Justice Turgeon?

Hon. Mr. DANDURAND: The amount is \$1,060. He was not paid anything except his living allowance.

NIPISSING CENTRAL RAILWAY

On the Orders of the Day:

Hon. Mr. DANDURAND: The honourable gentleman from Nipissing (Hon. Mr. Gordon) yesterday raised a question regarding the action of the Federal Government in connection with the construction of a railway to the Rouyn district. I told him that I understood an Order in Council had been passed referring the matter to the Supreme Court, and I promised to bring down a copy of that Order in Council, if such existed. I now lay a copy on the Table of the House for the information of my honourable friend.

AUSTRALIAN TRADE TREATY BILL THIRD READING

Bill 238, an Act respecting trade relations with Australia.—Hon. Mr. Dandurand.

BOARD OF AUDIT BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 233, an Act to constitute a Board of Audit.

Hon. Mr. Gordon in the chair.

On section 3—skilled assistance and clerical assistance:

Hon. Mr. DANDURAND: I have given the explanations contained in the memorandum I hold in my hand to the honourable gentleman from Grenville (Hon. Mr. Reid); but I will give them to the House.

I felt that the Department of Justice knew more about the drafting of this Bill than perhaps any other department, although the proposed measure emanated from the Department of Finance; so I went to see the Deputy Minister of Justice this morning and asked him for his views as to the scope and application of this clause. Here is the statement of the Deputy Minister of Justice, who explains that he has made inquiry of the Department of Finance:

Re Section 3, Bill 233-An Act to constitute a Board of Audit

With reference to your enquiry whether the provisions of this section will override in any way the provisions of the Civil Service Act, I am of opinion that so far as the first sentence of the section is concerned, the answer is clearly in the negative—

That it does not override the provisions of the Civil Service Act—

-for the reason that it deals only with the engaging of skilled assistants, and does not purport to authorize any appointments to the Civil Service, either temporary or permanent.

With regard to the second and last sentence of the clause, which deals with the supply of such clerical assistance as may be necessary for the purposes of the

Board, I find upon enquiry from the Finance Department that it is not the intention to create any elerical staff at Ottawa, but that the purpose of the provision is to enable the Treasury Board to authorize any particular member of the Board who may be performing any part of his duties from time to time in any part of the country to employ such clerical assistance as he may require in the places to which he may go, or at which he may be performing his duties for the time being. So far as any clerical assistance at Ottawa is concerned, it is anticipated that it can be made available from existing staffs, and that it is unlikely that it will be necessary to make any additions to the Service for the purposes of the Board. If, however, it should become necessary to make any apointment, as, for instance, in the case of a secretary, I am disposed to think that under the section as it stands such appointment could be made by direction of the Treasury Board without reference to the Civil Service Commission.

The corresponding sections in the Board of Audit Act, 1923, are as follows.

"13. The Board may with the consent of the Minister of Finance, engage from time to time such skilled assistants as may be required to facilitate the work of the Board, and such assistants may be paid such compensation as the Treasury Board may allow. "14. Any clerical duties that may be necessary for the

"14. Any clerical duties that may be necessary for the purposes of the Board shall be performed by such member or members of the staff of the Auditor General of Canada, as he may designate for such purpose."

You will observe that the diffrence between section 14 of the old Act and the present Bill is that former limits the supply of clerical assistance to that which could be made available from the staff of the Auditor General of Canada, whereas the present measure enables the Treasury Board to supply clerical assistance from any Government department, and also in the manner above indicated. For instance, if a member of the Board resident at Toronto desired to prepare his report there, he could be authorized by the Treasury Board to employ his own stenographer or another available stenographer at prevailing rates, instead of having to employ a member of the departmental staff at Ottawa.

That is signed by the Deputy Minister of Justice, Mr. Edwards.

There is, I may say, a slight variation in the formation of this Board, which explains the difference between the Bill before us and the Act as we have it in the Statute Book. It is not the intention to retain the Auditor General as the Chairman of that Board, inasmuch as he himself has found that his position as head of the Board came into conflict with his duties as Auditor General and sometimes placed him in a somewhat false position. Besides, his work engages all his time.

My right honourable friend (Right Hon. Sir George E. Foster) asked me yesterday if the Auditor General could point to any reforms or gains that have resulted from his appointment. The Auditor General is following up various lines of investigation to make his work as effective as possible. I would draw the attention of my right honourable friend to a newspaper despatch from Edmonton, the statements which I have verified. It appeared in the Ottawa Citizen of June 25, and reads as follows:

Edmonton, Alta., June 25.—Half a million dollars overpaid to the Alberta government on cash subsidy ac-

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REVISED EDITION

count is the latest development in the natural resources relations between the province and the Dominion. A claim to that effect has come through from Ottawa, and is now in process of negotiation between the two governments. If no other settlement can be agreed on, the present prospect is that the sum will be deducted from whatever cash payments may still be made from Ottawa to Edmonton. Clerical errors at Ottawa are blamed for the overpayment.

I have ascertained that the Auditor General had put in a special expert to examine the bookkeeping regarding payments to the provinces, and I am under the impression that a large overpayment, similar to that made to Alberta, has been made also to another province. This overpayment covered quite a number of years. Therefore I suggest to my right honourable friend that he suspend judgment as to the efficacy of the work of the Auditor General. One cannot familiarize himself with all that work within a few months. It is necessary to find one's footing, to know one's staff, to examine into existing conditions, in order then to decide on the reforms to be suggested. I hope we shall not begrudge him his statutory increase. and I hope also that Parliament will see to it that the increase which is voted annually to the Auditor General is included permanently in his salary, as he should be an independent official under the control of Parliament, his salary not subject to an annual vote.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I do not want to judge the new Auditor General harshly, and I did not intend my remarks of last night to bear that interpretation. I did think, however, that so far we had no very strong evidences of reforms having been made, while we had information of clashes of opinion between himself and various Ministers.

Hon. Mr. DANDURAND: My right honourable friend remembers the experience of the late Mr. Macdougall, who quite often wrestled with the Finance Department.

Right Hon. Sir GEORGE E. FOSTER: Mr. Macdougall was a sturdy wrestler.

Hon. Mr. REID: He was a big, strong man.

Right Hon. Sir GEORGE E. FOSTER: But, leaving aside for the moment the Auditor General, the opinion from the Department of Justice which my honourable friend has read, being placed on our Minutes, will make certain, I suppose, the assurance that the first part of clause 3 does not take the employment of skilled assistance from under the provisions of the Civil Service Act. I think we are bound to accept the opinion

Hon. Mr. DANDURAND.

of the Department of Justice on this point, and that opinion having been made public in this Chamber and put on record, I have no disposition to cavil with it, or try to add surety by additional legislation.

With reference to the second part of clause 3, the opinion of the Department of Justice is in line with my contention, that the appointment of a secretary, assistant secretaries, and other help that may be considered necessary, under the direction of the Treasury Board, and placed here in Ottawa, right in the centre of the Civil Service establishment, sets a rather bad example, and one not very satisfactory to the Civil Service as a whole.

I noticed a very fine indication of the spirit of the Civil Service in a newspaper report this morning of the convention being held here of the customs officials of the whole Dominion. The convention was quite unanimous, so far as I could judge, and indicated a proper spirit of appreciation on the part of the service, as represented by that very important body, towards the Civil Service Commission. Points of difference and little ill feelings may arise—the idea that one has been neglected, or is not treated according to merit; but it is very satisfactory to know that between the Civil Service Commissioners and an important branch of the outside service there is perfect unanimity. The convention ended by passing unanimously a resolution affirming the necessity of maintaining in its integrity the Civil Service Act, with such improvements as can be made.

We know that one of the greatest causes of discord and dissatisfaction in the Civil Service has been the feeling that the deserving man who did his work quitely without using pull or being officious in trying to push himself forward, was very apt to find himself superceded by someone who was a favourite with the powers for the time being. That condition created a feeling of injustice, inequality and unfair play that went right to the root of Civil Service discipline and effectiveness.

I think it would be a pity, just for the sake of allowing the Audit Board to appoint a secretary and clerical help, not to have that done under the Civil Service Commissioners, that is, in accordance with the Act. Does my honourable friend think that a matter of sufficient importance to justify making a break? The employment now and then of help from outside, as when a man wants a stenographer, is reasonable; but working officials here such as a secretary, an assistant secretary and other help, should surely be appointed under the Civil Service Act.

Hon. Mr. DANDURAND: When the Deputy Minister of Justice and I read the clause together, he remarked: "Well, the only office that would be withdrawn from the Civil Service Commission under my reading of this clause would be possibly the Secretary; that is all." I believe that the secretary who is now employed is a member of the Departmental staff, and not a new man, and when we know that this Audit Board works under the wing of the Finance Department, I wonder if it is worth while to alter this clause. The Board will naturally draw upon the staff of the Finance Department. I just put the question to my right honourable friend. I believe that the Minister of Finance, who would be consulted by the Board, would not ask the Treasury Board to place a newcomer in the work of a Board which is only provisional and temporary, and should end in a few yeras. I wonder if it is worth while to make an amendment for this individual case.

Right Hon. Sir GEORGE E. FOSTER: And I in turn wonder whether it is worth while to place any Minister in a preferred position to that of any other Minister, by giving him the right to go outside of the Civil Service Act for a possible appointment to an office in which he already has, as my honourable friend says, a man who is under the Civil Service Act. The Minister has all he wants, and he got it through the Civil Service Commission.

Hon. Mr. DANDURAND: No, the official was taken from the Department.

Right Hon. Sir GEORGE E. FOSTER: But there might be another Finance Minister in office. The present Government might be bowled out, and another Government might come in, and you would open the door for it to take its first step, of late years, along the bad line of political patronage.

Hon. Mr. DANDURAND: I believe that our attention should rather be devoted to trying to bring under the Civil Service Commission the thousands of officials who are today in the Income Tax Department. I think that would be a more laudable and serious step than to amend this Bill in order to cover one officer. I think my right honourable friend is correct on general lines, but he will notice that even under the Civil Service Commission enactment considerable leeway is given to Departments, to employ temporary or skilled help; so that this provision is not opening the door to any considerable extent.

Hon. Mr. TURRIFF: I notice that this Bill adds still further to the cost of the De- $S-47\frac{1}{2}$

partment of the Auditor General. The salary of that official was raised from \$6,000 to \$15,000 at one jump, although it was provided in the Act now on the Statute Book that he was not to get any extra salary. The Auditor General will now get his \$15,000 a year, and an extra \$1,000 for acting as Chairman of this Board. I notice also that the Vice-Chairman will not, as in the past, be the Deputy Minister of Finance. I would like to ask my honourable friend what grounds there are for putting up the salary of that official \$5,000 this year, in view of the fact that four years ago it was increased by \$1,000.

Hon. Mr. DANDURAND: Of whom is the honourable gentleman speaking?

Hon. Mr. TURRIFF: The Deputy Minister of Finance, Mr. Saunders.

Hon. Mr. DANDURAND: My honourable friend must remember that that official has shown efficiency in a Department which has grown out of all proportion to what is was 25 years ago. The responsibility of to-day is not what it was in previous years; and when the Minister of Finance consults men of substance in the country as to the employment of a man who will be equal to the task, he is told that the small sum of \$6,000 or \$10,000 could not secure the proper person to administer the Finance Department.

Hon. Mr. TURRIFF: But we had him.

Hon. Mr. DANDURAND: Yes, we had him; but here is a man who has reached 70 years of age, and is perhaps near the end of his career, who has shown that he posseses prudence, who has had long experience, and can be relied upon. When he expresses his desire to retire, I wonder if he should not be placed on a par with men in similar positions outside, who have less responsibility, but who are treated in a far more generous way than we have been treating our officials.

In this connection I cite the case of the Auditor General. The Minister of Finance looked among accountants connected with large corporations to find a man who could properly to the work of the Auditor General of Canada; and, in order to secure a man who had the necessary reputation and experience, and who had the esteem of the community in which he worked, he had to come up to that figure. Of course, a young man might be found to fill the position. but when the appointment of an Auditor General of Canada is in question, it stands to reason that to obtain a man who has made a reputation for himself, who has built up a clientele, it is worth far more than the \$15,000 which was offered to Mr. Gonthier. When a man has reached 45 or 50 years, and has gained the confidence of the corporations, the banks, and the general community, the sum of \$15,000 does not loom as large in his eyes, or in that of his associates, as it does to some other people.

Hon. Mr. TURRIFF: But my honourable friend must surely remember the effect of the action of this Government in jumping up the salary of the Deputy Minister of Finance by \$4,000. The result was that every Deputy Minister in the Service was dissatisfied, and the Government had to raise the salary of every Deputy Minister and of every official ranking as a Deputy Minister by \$2,000. There would have been no demand whatever for that if the salary of that one Deputy had not been increased. The same remark applies to the present Auditor General He has been given \$15,000, and the Deputy Minister's salary is now increased \$5,000; so there will be another raid on the treasury by officials generally. What answer can the Government make when the Deputy Ministers come to them and ask for an increase on the ground that they have as much responsibility as the Deputy Minister of Finance?

I may tell my honourable friend though he knows it as well as I do, that some years ago the Deputy Minister of Finance lost to this country some \$26,000,000 through a mistake made in the Department in connection with moneys due by the British Government to Canada. The matter was left to arbitration, and owing to that mistake made by the Department of Finance, which is under the Deputy Minister, who was responsible for the making of it, we lost that large sum.

Hon. Mr. DANDURAND: But surely my honourable friend does not hold the present Deputy Minister of Finance responsible for that error, if there was any—because it was always denied that there was any error in the Department of Finance.

Hon. Mr. TURRIFF: He was the Deputy Minister.

Hon. Mr. DANDURAND: But the judgment of Mr. Asquith, now Lord Oxford, was not based on that supposed error.

Hon. Mr. TURRIFF: The information that should have been sent to the British Government never left the Department; that is exactly the position. Now \$15,000 is being paid to one man as salary, and \$15,000 to the second man, and the effect will be that other Deputies will press whatever Govern-Hon. Mr. DANDURAND.

ment may be in power to equalize their salaries.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to this situation. For over 20 years I believe the Deputy Minister of Justice received \$10,000, while the other Deputy Ministers received only \$6,000. I think that the Deputy Minister of Railways and Canals, who also acted as the Chief Engineer, got \$10,000. All the other Deputy Ministers understood that those two officials had responsibility and special knowledge which entitled them to the larger pay, and I do not know that they made any protest against it.

The Hon the CHAIRMAN: I would call the attention of the House to the fact that clause 3 is under consideration, and that the other sections, that are now being discussed, have been passed.

Hon. Mr. TURRIFF: What I rose to point out was the fact that we were adding more cost.

Hon. G. G. FOSTER: Before the clause passes, I want to say one word with regard to the discussion that has taken place concerning the Auditor General. I quite understand the attitude taken by honourable gentlemen with reference to the increase of salaries of Deputy Ministers and heads of departments, and I share with them in that.

It is not often that I concur in the appointments made by this Government; but I may say that when the present Auditor General was appointed to the position which he now occupies the greatest pleasure was expressed by all in the city and the Province from which he comes, irrespective of party, nationality, or anything else. He was a man who stood at the very height of his profession, a man whose services, sought by all, could be obtained only under exceptional circumstances. Knowing the position that he occupied, and the confidence that the banks and other large financial institutions had in him, I was astonished when he left his home and friends and business and came to Ottawa to take this position. So far as I am concerned, I do not think \$15,000 is one cent too much for him. If the business were my own, and I could choose any man in the Province to assume the responsibilities that the Auditor General has undertaken, I would select the man who has been appointed by the Government, and I hope nothing will be done here to discourage him in his work or in retaining his office when, financially, he might occupy an equally good or better position in his home city.

Hon. Mr. REID: Last evening I moved an amendment to this section. After the explanations that have been given by the leader of the Government, and the placing on record of the document from the Deputy Minister of Justice, I do not feel justified in insisting on that amendment. I would, therefore, with the leave of the House, withdraw it.

I wish to say, however, that if the honourable the Leader of the Government had given us last night the explanations that he has given us this morning, I do not think there would have been very much discussion on the Bill. The trouble was that the Bill was presented without anyone knowing anything about it. I do not blame the Leader of the Government for that. I cannot understand how he keeps himself so well posted with regard to all the Bills that come before this House.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. REID. He has the task of giving information about every Bill that comes before us, and he must be an encyclopedia, or something of that sort, to possess all the information that he carries in his head. I am glad that this discussion has taken place this morning, for I am sure that now we all feel better satisfied, and are probably prepared to vote differently from what we would have done last night.

The amendment of Hon. Mr. Reid was withdrawn.

Section 3 was agreed to.

The preamble and the title were agreed to. The Bill was reported, as amended.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

THE SENATE'S WORK AND LEADERS

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to congratulate the Senate on the way in which it has done its work during this Session. We all know that in the last days or weeks of the Session legislation generally coming to this Chamber must be studied more rapidly than we would like; but to-day, at our first sitting, we have cleared the Order Paper and are awaiting the good pleasure of the other House.

I feel that I owe to my colleagues an expression of my appreciation of the diligence that they have shown not only in the work of the Senate itself, but in our various committees. The standard of attendance in the committees has been very high, and I may say that I have heard from outside commenda-

tion of the manner in which the Senate has studied the Bills that have come before it and has applied itself to a fair and proper solution of the problems presented.

I believe that the work of the Committee that was presided over by my honourable friend the Senator from Middleton (Hon. W. B. Ross) will stand out as an important contribution by the Senate to the solution of the railway problem. That problem is one that should receive the attention and engross the minds of all the people of Canada. Unless there is a rapid solution of that problem our liabilities will go on increasing, thereby increasing the fixed charges. The statement of the honourable gentleman from de Salaberry (Hon. Mr. Béique) showing the present capitalization of the Canadian Pacific Railway, compared with the increase to a like amount during the last six years of the liabilities of the Canadian National Railways, should cause our people to ponder upon the importance of this problem, and I hope that next Session, as was suggested by the honourable gentleman from Middleton (Hon. W. B. Ross), the Senate will continue to show an interest in this problem and in its solution.

Right Hon. Sir GEORGE E. FOSTER: After the presentation of the figures by the honourable Senator referred to, it struck me that it would be an excellent thing to have them go out in the document with the report. The figures presented are very illuminating, and I wonder whether it is not possible to have the financial statement accompany the report when it is distributed.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, we on this side of the House cannot permit the very courteous and complimentary references which my honourable friend has made to pass by without expressing our appreciation of the very able way in which he has discharged the duty of leading this House during the present Session.

Some Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: He has had our deepest sympathy on many occasions, because we knew that he was dealing with measures, the promulgation of which was distinctly against his convictions, but which, after considerable trouble, he apparently was able to accomplish.

I think I am expressing the feelings of honourable gentlemen on this side of the House when I say that in my honourable friend the Government has one of the most capable men that could be selected in Canada to lead the Senate. Some Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: I hope that while the Government remains in office which I am not prophesying will be a very lengthy period—my honourable friend will continue to lead in the very acceptable way that he has done in the past, and that, whether he sits to the right or to the left of the Speaker, he may long be spared to be a credit to this House.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: As we have just heard from the other side of the House, may I simply say that we on this side are proud of the man we call our Leader. He has always tried to impress upon us the fact that there is no such thing in this House as a Government or an Opposition, and that we looking at questions from a standpoint far removed from political or party exigencies.

I must say of the honourable gentleman that his industry and patience are extraordinary. It is not only honourable gentlemen on the other side who worry him at times: there are some who sit very close to him who often bother him. But he is always patient and courteous, and willing to listen to whatever may be said. I believe that a wise selection was made when the honourable gentleman was appointed the Leader of this House. We all know how difficult it must be at times to carry measures despite an adverse majority and sometimes in the face of adverse votes on the part of those who are supposed to be affiliated with the party in power. Still, the honourable gentleman never loses his equanimity and is never ruffled. On many occasions I have felt obliged to desert my Leader, for which I have been truly sorry; but I have always on those occasions been convinced that he did not blame me very much.

Hon. Mr. DAVID: I have just a few words to say. Both sides of the House must be proud of their Leaders.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DAVID: In the carrying out of their duty they may have been persistent, but they have always been courteous.

As to the Senate, I think it proper that I should say a few words. I have said and written on many occasions, in English and in French, that the Senate, constituted as it is, is indispensable. It is constituted in such a way as to be able to discuss and solve the most difficult problems that enter into our political life. This Session, more than ever, the Senate has demonstrated its usefulness in many matters, particularly with regard

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to the railway question. It has proved to its opponents and to those who were in favour of its abolition or the restriction of its powers that they were in the wrong, and has converted them to other opinions.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DAVID: It was under the influence of such feelings as I have referred to that I judged proper to ask for the appointment of a committee to endeavour to find some means of rescuing the country from the disastrous position in which it found itself by reason of the National Railway. I was confident that the Committee named by the Senate would make a report which would be appreciated by the public, and which would cause the Government to act. I have not been deceived in that," and the result of the work of the Committee shows that the idea was a good one. When I conceived the idea I relied upon the help of the honourable member for de Salaberry (Hon. Mr. Béique) and also upon that of the Chairman and other members of the Committee. My confidence in them has been justified, and I am convinced that everybody must be satisfied that the Senate has done a good work.

Hon. Mr. TURRIFF: Honourable gentlemen, the third party in this Chamber wishes to associate itself with all the complimentary things that have been said of the Leader of the Government, and also of the Leader of the Opposition. I do not think two better men could be selected from this Chamber or from any other Chamber in Canada to fill the positions which they occupy. Ever since my honourable friend the present Leader of the House has been in the position which he now occupies, the adroitness and smoothness with which he has got through legislation with which the majority in the House did not agree has been a marvel to me. And it speaks well for the members of the Opposition that they have been so fair and reasonable in these matters.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. TURRIFF: I can only hope that my honourable friend will not take to heart too much the harsh things that I have said at times about his Government. I had the justification, at all events, of believing that they were absolutely true.

As long as the present Government remains in power, I trust that my honourable friend will be the Leader in this House, and that he will continue to show the same kindness and consideration that he has shown during the past four years. Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: Honourable gentlemen, I highly appreciate the kindly remarks that have fallen from the lips of the members of this Chamber. I simply desire to add that at the opening of the Session I was quite upset when I observed that I was sitting opposite an empty seat. My honourable friend who leads the other side (Hon. Sir James Lougheed) had fallen prey to a very serious disease, and nothing pleased me more than to see him restored to health and back in his place in this Chamber.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: Reverting to the matter that is with us, and that unfortunately will be with us for some time, the railway problem, I would suggest that we add to the report which is about to be printed the speeches made in explanation of the resolution by the honourable gentlemen from Middleton (Hon. W. B. Ross), and De Salaberry (Hon. Mr. Béique). I think their remarks will come in as a natural addition to the report.

Right Hon. Sir GEORGE E. FOSTER: That will fill the bill.

Hon. Mr. DANDURAND: No resolution is necessary. The Clerk of the House will see that this is done.

THE MANUFACTURE OF COKE INQUIRY

Hon. Mr. DANIEL: I noticed a few days ago that a resolution had been introduced and passed in another place with regard to a proposed subsidy for the manufacture of coke. Can the honourable Leader state whether or not that proposal is to be proceeded with?

Hon. Mr. DANDURAND: I do not know what form that proposal would take. Would it be an item in the Supply Bill?

Hon. Mr. CASGRAIN: It is 3 per cent of the cost, for fifteen years.

Hon. Mr. McLENNAN: It was introduced as a resolution by the Minister of the Interior. The resolution was to the effect that 3 per cent of the approved cost of various plants be given on the condition that coke is manufactured out of Canadian coal.

Hon. Mr. CASGRAIN: It is for a period of fifteen years only.

Hon. Mr. McLENNAN: The measure is extremely important, particularly to the Lower Provinces.

THE BUSINESS OF PARLIAMENT

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend that if there are other measures on the Order Paper he should advise the Prime Minister that this is a very inopportune time to submit them to this House. It would be very much more acceptable to this Chamber that they should be withheld by the House of Commons than be sent here and rejected. We have no desire to meet in an unfriendly spirit new legislation that may be brought down, but, as my honourable friend can readily understand, it would be utterly impossible to give proper consideration to any important measure at this late hour.

Hon. Mr. DANDURAND: I will communicate to the Prime Minister the opinion expressed by my honourable friend.

The Senate adjourned until 3 p.m. this day.

Second Sitting

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

Routine proceedings.

THE SENATE'S WORK AND LEADERS

On the Orders of the Day:

Hon. Mr. DAVID: Honourable gentlemen, to what I said this morning, I wish to add a few words of congratulation, felicitation and thanks to the honourable the Speaker of the Senate. I have just learned that he is about to leave for Europe with his amiable wife. I think I express the feeling of all the members of this House in wishing him and Madame Bostock bon voyage. At the same time I think it proper to say that we must all congratulate the honourable the Speaker upon the distinction and tact with which he fulfils his important function.

We must not forget our Clerk and his assistants, and thank them for their zeal and kindness, and the pains which they have taken to give satisfaction to the members of the Senate.

As a last word, I would say to the honourable leader of the House, in order that he may repeat it to his colleagues the members of the Cabinet, that I share the view that not enough work is given to the members of the Senate during the first weeks of the Session, while too much is crowded into the last days, when we cannot give to important legislation all the care and attention which it deserves. For the last 20 years the same complaint has been made, but no remedy has been applied. Well, honourable gentlemen, that practice cannot continue much longer, and I trust that the Senate will not need to have recourse to drastic measures in order to change it. I trust that before next Session the Government will do what the interests of the country require in that line.

Hon. Mr. DANDURAND: Honourable gentlemen, I am quite sure that all the members of the Senate will join with one of the sages of the Senate, our esteemed friend—I hesitate to add our revered friend, because he still looks so young—in the congratulations, appreciation and good wishes that he has extended to His Honour the Speaker. Under his paternal rule we have enjoyed peace in the Senate and his hospitality outside.

As I left the Chamber at the end of the last sitting, I heard that His Honour, expecting that Parliament would prorogue before to-day, had made his arrangements to leave for Europe to-morrow. I hastened to tell him that we would arrange to dispense with his presence to-morrow, if prorogation should take place then, in order to enable him to leave, by steamer to-morrow, as he has arranged to do, and I wish him bon voyage.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I beg to assure His Honour that honourable gentlemen sitting to his left fully concur in everything that has been so fittingly said on the other side of the House.

Hon. Mr. DANDURAND: I may add that it is not very often that we have occasion to say a kind word about the work of the staff of the Senate, and I believe it is due to them to say that we all join in what has been said by our friend the honourable gentleman from Mille Iles (Hon. Mr. David). I could perhaps extend to the whole staff these congratulations, but I want to have a special word for the gentlemen who are obliged to take every word that falls from our lips.

I will close by saying that we have been most happy during the last four years in having had a representative of the Speaker on the more intimate social side—his good wife.

The Hon. the SPEAKER: Honourable gentlemen, possibly I may be allowed to say a few words from the Chair, though it is not altogether in accordance with the rules. I want to thank very much the honourable member from Mille Iles and the leaders of both sides, and also the members of the House, for their kindly expressions of appreciation of what I have tried to do in conducting the work of the Senate according to the rules. Sometimes I have thought that possibly it might be better for us to pay a little closer attention to the rules, but I think we have Hon. Mr. DAVID. succeeded in carrying on the work in a fairly satisfactory manner.

I appreciate very heartily indeed the kind expressions of my honourable colleagues in regard to what I have tried to do, and also those in reference to my wife. I hope that the Senate will not think me negligent of my duty in leaving to-day, and in not being present at the Prorogation to-morrow; and I want to thank the senior member for Ottawa (Hon. Mr. Belcourt) for having very kindly consented to perform the necessary duties connected with the Prorogation.

May I also be allowed to say that I am sure the floor officers of the Senate and the other members of the staff will appreciate the very kind words that have been said about them. It will be very pleasant for them to feel that the work they do for the Senate and for individual members of this body is appreciated.

Again, honourable gentlemen, I thank you very heartily for your kind expressions.

AGRICULTURAL CREDITS BILL FIRST READING

Bill 237, an Act to authorize Advances to assist Agriculture by providing for long term Farm Loans.—Hon, Mr. Dandurand,

SECOND READING POSTPONED

Hon. Mr. DANDURAND: Will the honourable gentlemen of the Senate allow me, in explanation of this Bill, which I confess I look at for the first time, to read it to the Senate, as it may be self-explanatory.

Hon. Sir JAMES LOUGHEED: Surely my honourable friend does not intend to introduce at this stage of the proceedings a Bill touching agricultural credits, that will in the final analysis involve millions of dollars. This is one of the most important Bills that has been brought before us this Session, involving probably an expenditure of larger sums than any other.

Hon. Mr. DANDURAND: It is not to exceed \$10,000,000.

Hon. Sir JAMES LOUGHEED: Of course, that is a trifling amount to the present Government, but to this side of the House it seems a fairly large amount.

Hon. Mr. DANDURAND: But the honourable gentleman must remember that it is in the form of a loan, not of a gift.

Hon. Sir JAMES LOUGHEED: I know. We made a loan the other day to the Quebec Harbour Commission, to whom we had before made a loan of \$12,000,000, on which we have not received any interest. But the objection is not so much because of that as because of the controversial nature of the whole question. I venture to say that no measure that has been brought before the House this Session involves so much difference of opinion as this Bill. The subject is not new to us. My honourable friend the senior member for Ottawa (Hon. Mr. Belcourt) gave us an interesting disquisition on this problem some time ago, but while his explanations were illuminating, I fancy that a certain amount of scepticism still remains as to the desirability of accepting the principle of the Bill.

Hon. Mr. BELCOURT: I joined with the special friends of my honourable friend; I did not do it alone.

Hon. Sir JAMES LOUGHEED: I would say to my honourable friend that it would be very undesirable to dispose of this Bill by means not of the most gentle character, namely, the six months' hoist, and I hope he will not thrust upon us the necessity of dealing in that summary way with many important This particular one might well measures. command the best attention of this House for weeks. It should go to a Special Committee, and there should be the widest investigation into this subject. Once the Dominion Government enters upon such a plan as this, \$10,000,000 will be simply the beginning of the expenditure that must necessarily be made.

Hon. Mr. DANDURAND: Honourable gentlemen, I recognize that I have not given all the attention that I should have done to this question of rural credits, and I have only a general knowledge of it. I have read somewhat hastily the two reports of Dr. Tory, but I confess that my mind is not made up as to the best scheme. Unless the majority of this Chamber feel that they are sufficiently informed on the question, and ready to endorse the Bill after a few hours' study in Committee which we could give it, I will not insist upon pressing the Bill to a second reading; but I would like to have a clear understanding of the wish of the Senate. I realize that this Bill could be given considerable attention at the beginning of a Session, or throughout a Session, by one of our Committees; but it will be for the Senate to say, and if my honourable friend states that he speaks for his side of the House, that settles the matter.

Hon. Sir JAMES LOUGHEED: In further explanation of what I have said, may I add that during the war my honourable friend from Middleton (Hon. W. B. Ross) and myself were members of what was known as the

Economic Commission, and we made a very lengthy investigation and study of this subject. We called the leading experts upon it, not only in Canada, but in Great Britain and the United States, and went into the problem at great length and carefully, and with more or less sympathetic attention. The more we probed the problem, the more doubtful we were as to the desirability of making any recommendation respecting it. So that I can assure my honourable friend that I have not lightly raised my objections. I know the difficulties in dealing with a subject of this nature.

There are very few subjects on which a greater difference of opinion exists than upon this one, and, inasmuch as it involves the expenditure of a very considerable sum of money, it would not be in the interest of the public at this stage, when prorogation is just awaiting us, for us to take up this Bill and lightly deal with it by giving two or three hours attention to it.

Hon. Mr. REID: I might add that if there is any danger of any of the farmers suffering between now and the next Session, the trouble might be overcome by the honourable leader of the Government and other members of the Government endorsing any notes in the meantime.

Hon. Sir JAMES LOUGHEED: Say a compassionate allowance.

Hon. Mr. POPE: There is no one more interested personally than myself in this question, for I know the difficulties of the farming community to-day in the matter of bank-The present banking system does not ing. lend itself to long loans, even of two years; it deals only in short-time loans, going not beyond three or four months. The banking system of Canada does not serve the farming community as it should. But I quite agree with the honourable leader on this side that we must not go at this question rashly, and possibly make the present situation more complicated than it is to-day for the farmers of the country. While I hope to see some such plan as that mentioned in the Bill carried out at some time, on a sound business basis, I do not think we should be asked to deal finally with this Bill this afternoon.

Hon. W. B. ROSS: The subject involved in this Bill is a very large and intricate one. I think I can fairly say that I spent a month in an examination of different plans for rural credits. There are certain features of the subject on which we shall have to take great care. Schemes that work in Europe, a densely populated country, where people who live on the land seldom or never leave it, will not work in this country, where our population is more scattered and more mobile.

In nearly every one of those schemes the principle involved is that of small combinations or syndicates made up of from 4 to 10 farmers, who join together and guarantee the whole loan, dividing it among themselves. The system is partially cooperative and partially governmental, the Government finding the money, and the men themselves making the arrangements as to what each man shall have, and how many will go into the pool to get the loan. While that may have worked very well in Europe, it is very doubtful if it would work well in this country; and while there is some evidence of the success of this rural credit system, or whatever you choose to call it, there is on the other hand quite a little criticism.

What I want to say about it is this. I would want to investigate this subject very fully, and go from step to step, because, after all, legislation is not entirely a matter of theory, but of experience. I read last winter a very interesting book written and published in 1572, during the reign of Queen Elizabeth, and the extraordinary thing about it was that it reviewed questions that we have been discussing in this Parliament during the past few years. Rural credit, farm banks, regional banks, and money at low rates of interest for small farmers were live questions then; and here we are to-day discussing the same questions. There is no reason why we should not have the benefit of all that experience if we are going to legislate on this matter; and to enter upon it now would, I think, be disastrous. There is no reason on earth why this Bill should not be introduced on the second day of next Session, and the question thrashed out from beginning to end and a wise conclusion arrived at. I have no preconceived ideas on the matter; but from the little I know of it, and the little I have read, I am inclined to believe in the theory of some of the wise men in the reign of Queen Elizabeth-that you cannot farm on borrowed money. That is true of the men I know who have been successful in this country, and some very interesting conversations that I have had with farmers from England pointed to the same thing-that the farmer, to be successful must be self-contained; he must not borrow money or hire labour. I asked one of these men, "Are you successful in He said, "No, I am not." I said. farming?" "Has farming in England gone to the bad?" "No," he said, "the man who lives alongside Hon. W. B. ROSS.

me is successful, and I am not. He has two boys; he borrows no money and hires no help."

This is an interesting subject; there is a tremendous lot of literature on it, and there has been a tremendous amount of experience; and I think we would be wise now to simply say that we are not going to express any opinion at all, but that if the Government will bring it before us on the second day of next session we will go to work on it and thrash it out.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, from what little examination I have made into some projects, I am in sympathy with assisting farmers in the way of helping them to obtain loans which, for various reasons, they cannot very well get from the banks. But we need not go into that.

I think we ought to have regard both to our own standing as a Senate and to our reputation. We are supposed to be a coordinate branch of the Legislature. If we are of any use at all, our use is very largely in thoroughly examining into legislation which is submitted to us by the more democratic House, so to speak, and coming to the best judgment possible. We are judged by the country in proportion as we do our work, and do it well; and we canot do our work wellwe cannot do it all-if we are to be simply a rubber stamp. Twenty-four hours before the House is to prorogue a measure is brought to us by the Leader of the Government, who confesses that he has not yet been able to read it and has not been able to possess himself of an understanding and knowledge of it.

One may say that this Bill does not involve any expenditure of Dominion money, that it is only the credit of the Dominion which is asked for, and that the credit is to be given to the Provinces. But when you think of it for a moment you will realize that we should be just as careful in choosing the kind of proposition on which we lend money to the Provinces as we would be if money went directly out of our own treasury. This is an obligation. The very moment you lend \$10,000.-000, it is an obligation of this Dominion. You may have from the man who signs the note the security of a very good farm; but nevertheless the amount is chalked up against your obligations and to that extent it interferes with and influences your credit.

There is no reason in the wide world why this Bill should not have been down earlier. I have often said, and I hope I will not have to say it again, that we must actually make a stand. So long as we, as a Senate, accept legislation in the last moments of the session, so long may we expect to have to do so; and very soon the country will come to the conclusion that we are of no use, but are simply here to sign the bills presented to us by the other House. The sooner we take a stand on the matter the sooner the Government will see that we are given an opportunity of looking into legislation.

Hon. E. MICHENER: Honourable gentlemen, it is unfortunate that this Bill has been so long delayed in coming to this House. Personally I am in favour of a proper form of rural credits, and think they would be of great advantage in the promotion of farming, especially in Western Canada, where there is practically no such money available. This. of course, involves the question of a system of financing for the encouragement of agriculture. Most other great agricultural countries have already adopted some scheme. I recognize the fact that our present system does not give encouragement to farmers and if there is any country in the world that needs such a system, as the one proposed, it is Canada, especially Western Canada.

I do not wish, however, to go into a discussion of this question. I really believe that if we had had this Bill before us a few weeks ago there would have been no difficulty in the way of discussing it and of its becoming law. I have glanced over the Bill. It merely puts the Provinces in a position to carry on their own administration for the loaning of this money. While I will be very much disappointed if the Bill falls by the way, I recognize the force of the arguments of my Leader (Hon. Sir James Lougheed) and of the last speaker (Right Hon. Sir George E. Foster), and realize, in the face of the diverse views that are held on this question, that its passage is almost too much to hope for.

Hon. N. A. BELCOURT: Honourable gentlemen, the subject-matter of this Bill has interested me for many years. I feel that this is probably the easiest and most direct way of bringing assistance to the farming community. I think there is a pretty general feeling abroad, and in this House, that we should do something for the farmers. I agree, however, with the honourable gentlemen who have preceded me, and would not ask that this measure be gone on with. This is a most important piece of legislation, and I feel sure that if we were to go into the subject it would not receive the consideration which it deserves. It involves a principle which probably cannot be applied in this country in the same way and to the same ex-

tent that it has been applied in Europe and the United States, where it has met with great success. If we were to go on with the Bill, I think it would receive a black eye—the House would have to put itself on record as not being prepared to pass it; and the position would then be much worse than it now is. For these reasons, I would advise my Leader not to go on with the Bill at this time.

Hon. GEORGE GORDON: The Bill is not on my file, and I have not seen it; but I would gather from the remarks of the Leader of the House that it concerns a loan by the Government to the western Provinces.

Hon. Mr. TURRIFF: Not to the western Provinces any more than to the eastern Provinces.

Hon. Mr. GORDON: It is a loan.

Hon. Mr. WATSON: To any Province.

Hon. Mr. GORDON: I am unable to see any reason why the Government of Canada should make a loan for this purpose. Have the various Provinces lost their credit? If they have not, I think this matter should be left entirely to the Provinces; and I think they should come to the Dominion Government for assistance of this kind only when their credit is gone.

I am in accord with my colleagues on this side of the House in protesting against a Bill of this nature coming down at such a late day in the Session.

Hon. Mr. DANDURAND: I quite understand the feeling of the members of the Senate. I have moved the second reading of the Bill, but if my honourable friend opposite will move that the Bill be not now read a second time but be postponed to next Session for study and consideration, I will accept the motion.

Hon. Mr. TURRIFF: Before action is taken, I would like to point out that if the Bill should pass there is no likelihood, in fact no possibility, of the Dominion Government making any loss; it is only to advance the \$10,000,000. I would like to find out, if I can, what division is proposed. Is the \$10,000,-000 to be advanced to the different Provinces equally, or in proportion to their population or in proportion to their requests?

As I have said, so far as the West is concerned, there is no possibility of loss, and the Bill would serve a good purpose. There are many farmers in the West who are paying 8 per cent for farm loans. That situation was brought about chiefly by the action of the local Government which made rules and regu-

lations under which several charges could be placed against a farm, and would have a preference over a mortgage given by the farmer to anyone advancing him money. The result has been that the farmers of the western Provinces have had to pay a much higher rate of interest than they otherwise would have had to pay. I know of one case in the Province of Saskatchewan in which a loan company advanced \$500 to a man on a quarter section. Later on the man was taken sick and died, and after the hospital and medical and funeral expenses had been paid by the municipality, and two or three years' accrued interest, and the charge for the cutting of the weeds by the municipality for two years, the loan company was offered \$1,700 spot cash for the quarter section. If the company took that it was going to be out about \$150 or \$200, some \$1,100 having been put in ahead of the mortgage. When that sort of thing prevails you cannot expect a low rate of interest. Then the loan company said to the municipality, "Give us a quit claim deed and let us make title to the land." But under the law that could not be done; the only way they could get title was by foreclosure. They foreclosed and got the \$1,700 and between \$200 and \$300 or their original \$500.

If this Bill passed it would enable a good many farmers to borrow money on long term loans, at low rates of interest, and would assist them in paying off their existing liabilities. However, I am not going to urge that we should go on with the Bill after what my honourable friend the Leader of the Opposition (Hon. Sir James Lougheed) and the honourable member from Ottawa (Right Hon. Sir George E. Foster) have said. It is absurd to bring down this Bill at this time, when even the Leader of the Government does not know anything about it. The Bill has not yet been put upon our files or distributed. If it had been brought down two or three months ago, which could have been done just as easily as not, I have not the slightest doubt that it would have appealed to members of the Senate and would have become law in a day or so.

Hon. Sir JAMES LOUGHEED: In amendment to the motion of my honourable friend that the Bill be read a second time, I would move:

That we do not proceed with the Bill during the present Session.

Copies of the Bill have just been circulated. I understand that Dr. Tory has made two reports upon the subject. In view of these facts I would suggest to my honourable friend that he have the Bill and those reports

Hon. Mr. TURRIFF.

distributed amongst the members of the Senate, so that when we meet again next Session we may be fully acquainted with the subject as discussed by Dr. Tory.

Hon. Mr. DANDURAND: I do not intend to divide the House on this amendment, which I take to express the unanimous wish of the Senate.

The amendment of Hon. Sir James Lougheed was agreed to.

CIVIL SERVICE SUPERANNUATION BILL

FIRST READING

Bill 239, an Act to amend the Civil Service Superannuation Act, 1924.-Hon. Mr. Dandurand.

SECOND READING

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

He said: Honourable gentlemen, we passed last year an Act entitled the Civil Service Superannuation Act, 1924. Part II of that Act contains the following provisions:

15. This Part applies to civil servants who at the date of the coming into force of this Act are subject to the provisions of the Retirement Act.

16. Any such civil servant may at his option, within one year after the date of the coming into force of this Act, elect to become a contributor under this this Act. Act and in the event of his so electing there shall be transferred to the Fund created under this Act the amount standing to his credit in the Retirement Fund, which amount shall thereupon be deemed to be a contribution under this Act, and such contributor shall, as from the date of such election, be deemed to have waived his right to any payment or benefit under the provisions of the Retirement Act and shall be subject to the provisions of and entitled to all the benefits and privileges under, Part I of this Act to the same extent as if he had been appointed after the date of the coming into force of this Act and had been a contributor for the period in respect of which he contributed to the Retirement Fund. Provided, however, that in computing the superannuation allowance of any such contributor, the average salary shall be based upon the salary received by the contributor during the last five years of his service.

In other words, the Civil Servant who has been contributing to the Retirement Fund for a certain number of years may elect to come under that Superannuation Act. He has one year in which to make his choice. If he wishes to come under the Superannuation Act, the total amount to which he is entitled from the Retirement Fund, and which is his own money, is transferred to the Consolidated Revenue Fund, and he thereupon becomes entitled to the benefit of the Superannuation Act.

Right Hon. Sir GEORGE E. FOSTER: If there be any benefit.

Hon. Mr. DANDURAND: Yes. Of course, insurance is a gamble. A Civil Servant may on retirement withdraw his balance in the Retirement Fund. That amount, which in some cases is a large one, has accrued to the credit of the Civil Servant or his estate.

Hon. Mr. TURRIFF: Does he get any interest on that?

Hon. Mr. DANDURAND: Not if he elects to come under the Superannuation Act. By relinquishing his right to that sum, he becomes entitled to a pension on retirement. Naturally he will lose the pension at his death. I think the Act provides, however, that his widow may receive a certain proportion of his allowance. The State stands to gain in the case of a Civil Servant who is single and who, having transferred his credit to the Superannuation Fund, retires on a pension, but lives only a short time to enjoy it.

The Civil Servant was given until, I think, the 19th of July next to make his choice, and the effect of this Bill is to extend that period for another year:

1. (1) The Civil Service Superannuation Act, 1924, is amended by striking out the words "one year" in the second line of section sixteen thereof and substituting therefor the words "two years"

(2) The said Act is amended by striking out the words "one year" in the second line of section twenty and substituting therefor the words "two years".
(3) The said Act is further amended by striking out the words "one year" in the first line of section twenty-two and cubatituting therefore the words "two years".

two and substituting therefor the words "two years".

The object of the Bill is quite clear, namely, to give Civil Servants who are under the Retirement Act a further period of twelve months in which to decide whether or not they will relinquish the benefits of the Retirement Fund and come under the Superannuation Act.

Right Hon. Sir GEORGE E. FOSTER: It seems to be a fair thing to do. The Retirement Fund balance is the man's own money. He must make up his mind whether he will continue under the Retirement Fund or take the equivalent advantage that would accrue to him by transferring that Retirement Fund balance into the general fund and coming under the provisions of the Superannuation Act. He had the privilege of making his choice within a year, but sometimes it is pretty difficult for a man to make up his mind. He may think at first that the transfer would not be to his advantage, and may let the option slip by. I do not think it is at all wrong to give him another year to decide.

Hon. Mr. TURRIFF: What I am about to say has no bearing on this particular clause. but I would like to draw the attention of my honourable friend the leader of the House

to the fact that there is a great deal of dissatisfaction in the Service about the distinction that is made, with respect to the Retirement Fund between men and women. It appears that, while a man may will to any person the amount standing to his credit in the Fund, a woman cannot do so. I do nct understand the matter very well, but a number of women Civil Servants have complained about women being treated so differently from men. I would like my honourable friend to look into this question, so that we may deal with it next year if it is one that ought to be dealt with; and I think it is. I cannot for the life of me understand why a woman contributing to the Fund out of her salary of say \$1,000, is not in exactly the same position as a man contributing at the same rate. The distinction was made a year or two ago, when the original Superannuation Bill was passed. The question does not affect the present Bill. I am only drawing my honourable friend's attention to it.

Hon. Mr. REID: I would like to mention another matter in connection with Civil Service superannuation. It does not refer to this particular clause, with which I am in accord. I noticed in the press a short time ago that certain representations had been made by a deputation representing widows of superannuated Civil Servants. Many of these dependents have been left without adequate means of support, and some have had to go into homes for the aged. Under the present superannuation law which we passed about a year ago, the widow of a superannuated Civil Servant receives an allowance; but in the case of a superannuated Civil Servant who died before that statute was passed, even if only a few months before, his widow gets nothing.

I would ask the honourable Minister to give consideration to cases of this kind and see if something cannot be done. I think that in almost every case it will be found that the deceased Civil Servant has left very little estate. I know of several cases of real hardship at the present time. It would not require much to assist these dependents for the few years they have yet to live.

Hon. Mr. DANDURAND: I will transmit the remarks of my honourable friends from Assiniboia (Hon. Mr. Turriff) and Grenville (Hon. Mr. Reid) to the Acting Minister of Finance and to the Superintendent of Insurance, who is, I think, charged with the administration of this Act, or at all events has had a great deal to do with the drafting of it.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robertson in the Chair.

Hon. Sir JAMES LOUGHEED: Subsection 2 of section 10 of the Act reads as follows:

No contributor shall be retained in the Civil Service beyond the age of seventy years; provided, however, that if the deputy head of any department reports, within three months after the coming into force of this Act, in respect of any contributor in such department who, whether before or after the coming into force of this Act, attains the age of seventy years, or not less than thirty days before the attainment of the said age by any contributor, that on account of his peculiar efficiency and fitness for his position the continuance in office of such contributor beyond the said age is in the public interest. . . .

One of the leading Civil Servants here has represented to me that the provisions of this subsection are unreasonable. My honourable friend (Hon. Mr. Dandurand) is having the Act amended by extending to two years the time in which a Civil Servant may elect to become a contributor to the Superannuation Fund. It has been suggested to me that we ought to amend subsection 2 of section 10 by extending the period in which the Deputy Head of a Department may recommend the Civil Servant's continuance in office. As the subsection makes provision for the retention of a contributor up to the age of seventy-five, it would not be unreason-able to say that the Deputy Head of the Department should have the right to recommend his retention within two years after the coming into force of the Act, which was in 1924

Hon. Mr. DANDURAND: That would give another year.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: The period was limited to three months.

Hon. Sir JAMES LOUGHEED: It was limited to the three months, but in the latter part of the subsection the time mentioned is thirty days. That is a very short period for a man to make preparations to retire from the Public Service. Inasmuch as the matter of making the recommendation rests with the Deputy Head, it seems to me that the public interest cannot possibly suffer if the time is extended. The amendment has been submitted to me, and I will hand it to the Chairman.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: It looks somewhat involved. The period allowed has expired. May I suggest to my honourable friend that, if no interests will suffer, we might treat this proposed amendment as we treated the last Bill. It could be taken up at another time. I confess that I cannot grasp its exact purport.

Hon. Sir JAMES LOUGHEED: I cannot speak with confidence on it. I must confess I am not familiar with the intricacies of this Act. The amendment can be moved on the third reading. In the meantime my honourable friend may make inquiries as to whether this is a desirable amendment or not.

The preamble and the title were agreed to. The Bill was reported without amendment.

RAILWAY EXPENDITURE

CONDUCT OF THE SPECIAL COMMITTEE

Hon. W. B. ROSS: Honourable gentlemen, there is a small matter that I would like to call to the attention of the House. There seems to be some misunderstanding in another place as to the reason why our Special Committee to inquire into railway expenditure sat in camera and why we do not report the evidence. When that Committee was appointed and constituted I think it was thoroughly understood by all its members that the subject to be dealt with was very important and very large; and, as I understand it, the Committee determined that instead of going into small details they would deal with the larger issue. In order to do that, we determined that it would be wise to sit in camera and not report the evidence. We have explained our reasons for that in the reports itself, which perhaps ought to be sufficient for people who wish to understand it.

Last night I explained again that if a man were making a statement on the railway situation, which is a very complicated one, with the knowledge that his statement would be published and discussed all over the country, he would find it necessary, in order to protect himself, to make reservations, explanations, and distinct qualifications which, from the point of view of the Committee, would in themselves be relatively unimportant. What we wanted to do was to get at the pith and the heart of the railway situation, and not at the small details. For that reason the Committee concluded that we would sit in camera, and that there would be no report of the evidence. I assume full responsibility for that, so far as one man can assume responsibility for a Committee; but I never had any doubt about the wisdom of what we did, and I have no doubt now. There was certainly no sinister object in what we did; we were going as far as we could to get at the heart of the railway situation.

Hon. Mr. BELCOURT: I am not going to repeat what my honourable friend has said, because as a member of that Committee I agree with every word of his; but I think that every member of the Committee must feel that if we had not sat in camera we would not have obtained half the information we got. I think that fact amply justifies our attitude.

Right Hon. Sir GEORGE E. FOSTER: It was the only possible way.

Hon. Mr. DANDURAND: I am glad that the Chairman of the Committee, our esteemed friend from Middleton (Hon. W. B. Ross) has drawn the attention of the Senate to a statement in the other House which was made in order that it might reach this House. A prominent member of the other House wanted to know why the evidence given before our Railway Committee was not forthcoming, and he thought that it should be produced. His remarks closed with the words: "I hope my words will reach the Senate." He said also:

I observe that the Senate Committee which is supposed to be making this report, the origin of which would be interesting, met in secret.

Of course, I do not know exactly what is implied in the expression; "the origin of which would be interesting." I am quite sure that the Debates of the Senate at the time the matter was initiated will show from what source it came.

It is perhaps a matter of indifference to the public even to know the names of the gentlemen who appeared before the Committee. They were men of considerable importance in the community, the best we could find in experience and qualifications. The Committee invited those gentlemen for the purpose of obtaining enlightenment on this formidable problem, and, after hearing the various suggestions made for its solution, the Committee were unanimous as to the one that appealed most strongly to their judgment.

We submitted our conclusion for what it is worth, and no one need go into the genesis of that conclusion. We felt that it was the best solution that had been submitted. No one in the Committee claims infallibility, and if any better scheme from any source is presented to the country it will be welcomed. If the Senate at its next Session finds that a better solution of the problem has been

proposed, there is no doubt that it will say so, as we have no pride in regard to the recommendation we make, but we have a oneness of purpose, which is to find the solution that will appeal to the general public and to the sober-minded men of this country.

What I said more than once in the Committee I desire to repeat now, so that members of the other House may read it, that there is in Great Britain a Committee which meets to consider matters of national importance, where party passions and conflicts do not enter: it is the Committee on National Defence. I understand that that Committee is composed of the leaders of all parties in the British House of Commons. They meet together so that they may bear joint responsibility for the defence of the realm, and in order that there may be continuity in the policy of the British Government on that subject. I believe that that Committee is based on the highest and best view of what can be regarded as real patriotism.

I suggested that the solution of our railway problem was of vital importance to this country, in view of the \$50,000,000 or \$100,000,000 deficit per year, which may increase in weight upon our shoulders. I need not stress that point, but I added in more than one form the remark that this problem was equivalent to that of national defence in Great Britain, and I believe that it was of such vital importance that if there was one question in Canada on which the leaders of the three parties could join hands and work together in a friendly and patriotic way, around the same table, in an endeavor to rescue the country from its difficulties, this railway problem was that question.

Hon. Sir JAMES LOUGHEED: All I can say is that in my opinion the Senate should be the best judge as to how it should conduct its own business.

DOMINION ELECTIONS BILL

FIRST READING

Bill 148, an Act to amend the Dominion Elections Act.-Hon. Mr. Dandurand.

SECOND READING

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

He said: This is a Bill that especially concerns the House of Commons. It deals with elections and the mode of holding them. It contains quite a number of sections.

Right Hon. Sir GEORGE E. FOSTER: Is the Bill distributed? Hon. Mr. DANDURAND: The Bill as first introduced is probably on our files, but I doubt if it has been distributed as reprinted. It is quite voluminous. I inquired as to the consensus of opinion in the other Chamber on this Bill, and was told that it contains no controversial matter. There was a vote on the question of the period between nomination and polling. Formerly this was 7 days, but a few years ago it was made 14 days, but I understand that by this Bill it has been changed again to 7 days.

Right Hon. Sir GEORGE E. FOSTER: Surely that is torture sufficient.

Hon. Mr. DANDURAND: I would think so, though I have never ascended to that Calvary.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Beaubien in the Chair.

Sections 1 and 2 were agreed to.

On section 3-appointment of returning officers.

Hon. Sir JAMES LOUGHEED: I move to strike out, in the sixth line of subsection 22, the words "for one year" and substitute the words "during pleasure." This subsection makes provision for the appointment of returning officers, and contains the following words:

Every person so appointed shall hold office for one year, and notice of his appointment shall be given immediately in the Canada Gazette.

This is a new departure. Why a returning officer should be appointed for a year I cannot appreciate. I fancy that it will involve a very substantial additional expense, because even if the returning officer is paid by fees he will expect those fees to run for a year in some way or other. But my principal objection is that if the Government which appoints the returning officer should be defeated, the incoming Government will be in the hands of the Philistines; that is to say, their byelections will be under the returning officers appointed by their opponents. Now, that is not playing the game. I move, therefore, that the words "for one year" be struck out and the words "during pleasure" be substituted therefore.

Hon, Mr. REID: I also would like to see a little change in the same clause. Right Hon. Sir GEORGE FOSTER. Hon. Mr. DANDURAND: I would remind my honourable friends that we must deal tenderly with this Bill, because it is not within our province.

Hon. Mr. REID: I do not think the suggestion I am going to make would be objectionable; it is to change "Secretary of State" to "Governor in Council." The Secretary of State of course makes the recommendation to Council.

Hon. Mr. DANDURAND: You would need rather to say, "the Governor in Council upon the recommendation of the Secretary of State".

Hon. Mr. REID: Yes.

Hon. Sir JAMES LOUGHEED: This gives extraordinary powers to the Secretary of State.

Hon. Mr. DANDURAND: I will ask that this clause be suspended while I proceed to the other House to inquire about it.

Hon. Sir JAMES LOUGHEED: So that my honourable friend may not be perturbed. I may inform him that I am proposing this at the instance of certain members of the Commons.

Hon. Mr. DANDURAND: I must remind my honourable friend that I have the sole right here to speak for the Commons.

Hon. Sir JAMES LOUGHEED: For one side of the Commons.

Hon. Mr. DANDURAND: I bring to this Chamber the work of the Commons. It is supposed to be the work of a unanimous Commons.

Hon. Sir JAMES LOUGHEED: This happens to be the work of one side of the Commons—the side to the right of the Speaker.

Hon. Mr. DANDURAND: I would ask the honourable gentleman to desist from moving his amendment. I do not think the Senate should intervene in the details of a Bill concerning particularly the House of Commons, except in a case in which there would be a gross miscarriage of justice. For that reason I will move that after the word "required" in the second line, the following words be added: "the Governor in Council upon the recommendation of" and, in the sixth line, that the words "one year" be stricken out and be replaced by the words "during pleasure."

Hon. Sir JAMES LOUGHEED: That is very nice.

Hon. Mr. DANDURAND: I said that except in the case of a gross injustice the Senate should not interfere in such matters as the Dominion Election Act, and I desire to serve notice on my honourable friends that if I ever have the courage to bring in a gerrymander such as that of 1882 it will be their duty to block it.

Hon. Sir JAMES LOUGHEED: I congratulate my honourable friend on the way in which he has made this amendment.

The amendment was agreed to.

The section as amended was agreed to.

The Bill was reported, as amended.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

CIVIL SERVICE SUPERANNUATION BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 239, an Act to amend the Civil Service Superannuation Act, 1924.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I move that this Bill be not now read the third time, but that it be amended by adding the following, as section 2:

The said Act is further amended by striking out the words "three months" in the third and fourth lines of subsection 2 of section 10 of the Act, and substituting in lieu thereof the words "two years".

As my honourable friend knows, Mr. Finlayson, of the Insurance Branch, has approved of this.

The proposed amendment was agreed to.

The Bill as amended was read the third time, and passed.

The Senate adjourned until to-morrow at 10 a.m.

THE SENATE

Saturday, June 27, 1925.

The Senate met at 10 a.m., the Acting Speaker, Hon. N. A. Belcourt, in the Chair. Prayers and routine proceedings.

PROROGATION OF PARLIAMENT

The Hon. the Acting SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary S-48

acquainting him that the Right Honourable F. A. Anglin, acting as Deputy of the Governor General, would proceed to the Senate Chamber at 11 o'clock for the purpose of proroguing the present Session of Parliament.

RETIREMENT OF COLONEL TODD, ASSISTANT LIBRARIAN

MOTION

The Hon. the Acting SPEAKER: I have received a communication signed jointly by the Hon. Mr. Burrell and Mr. Taché, and approved by the Speaker of the Senate and the Speaker of the House of Commons, as follows:

Ottawa, June 25, 1925.

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To the Hon. the Speaker of the Senate:

Sir: We have the honour to enclose a copy of a report from Dr. Fraser on the condition of Colonel Todd, Assistant Librarian, who has not been able to attend to his duties for some time past. Colonel Todd, we think, recognizes that it will be impossible for him to continue his tasks, which require the ability to read without difficulty. While reluctanr, therefore, to dispense with the services of an official who, for more than 50 years, has rendered valuable and conscientious services to the Library, we respectfully recommend that Colonel Todd be superannuated, and in view of his unique record it would be gratifying if he could be given six months' leave of absence with full pay dating from the 1st of July next.

Hon. Mr. DANDURAND moved:

That the Senate approve the recommendation of Mr. J. de L. Taché, General Librarian, and Hon. Martin Burrell, Parliamentary Librarian, that six months' leave of absence from the 1st of July, 1925, prior to superannuation, be granted Mr. Alfred Hamlyn Todd, Librarian, who for more than fifty years has rendered valuable service to the Library of Parliament.

He said: Honourable gentlemen have heard the report made to both Houses by the joint Librarians. I am sure that all the members of the Senate will associate themselves with the opinion expressed by the Librarians as to the valuable services rendered by Mr. Todd. I have had occasion during my long career in this Chamber to avail myself of his experience and advice on matters relating to his work, and I have always found him to be a most efficient officer of the Library. He has nobly borne a name that stands high in the annals of parliamentary life—that of his father.

Hon. J. S. McLENNAN: Honourable gentlemen, I would like to take a moment to confirm what the honourable leader of the House has just said about Colonel Todd. It was very close to the time, half a century ago, when he began his career in the Library, that I had occasion to consult him first, and I have consulted him from time to time since. I have always found that his erudition was

great, particularly in the domain of constitutional law and parliamentary practice, for which he had a hereditary aptitude. In all departments he was zealous to assist anyone seeking information from the Library. I have reason to be grateful to many members of the Library staff for assistance, but there is none among them who had more important assistance to give, or gave it more willingly, than Mr. Todd.

The motion was agreed to.

APPROPRIATION BILL No. 3

FIRST, SECOND AND THIRD READINGS

Bill 240, an Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1925, and the 31st March, 1926.—Hon. Mr. Dandurand.

MESSAGE TO THE HOUSE OF COMMONS

Hon. Mr. DANDURAND moved:

That a message be sent to the House of Commons to acquaint that House that it is the Deputy Governor's desire that they attend him immediately in the Senate Chamber.

The motion was agreed to.

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

The Right Honourable F. A. Anglin, Deputy of the Governor General, having come and being seated on the Throne, and the House of Commons being come with their Speaker:

BILLS ASSENTED TO

The following Bills were assented to, in His Majesty's name, by the Right Honourable the Deputy Governor General:

An Act to amend the Northwest Territories Act. An Act to amend The Bankruptcy Act.

An Act to amend The Civil Service Act, 1918,

respecting certain Post Office employees. An Act to amend The Income War Tax Act, 1917.

An Act to amend an Act to provide Compensation where Employees of His Majesty are killed or suffer injuries while performing their duties. An Act to amend The Fruit Act.

An Act for the relief of Walter Thomas Pratchett. An Act for the relief of Samuel James Connor.

An Act for the relief of Andrew Toulouse.

An Act for the relief of Albert Plue Jessop.

An Act for the relief of Cecil Hunter.

An Act to change the name of "The Dominion Woman's Christian Temperance Union" to "Canadian Woman's Christian Temperance Union."

An Act respecting Divorce.

An Act to amend The Dairy Industry Act, 1914. An Act to amend The Yukon Quartz Mining Act. An Act to amend the Customs Act.

An Act to provide for further advances to the Quebec Harbour Commissioners.

An Act for the relief of Matthew Wilson Lazenby. An Act for the relief of Evelyn Laura Herlehy. Hon. Mr. McLENNAN.

An Act for the relief of Lois Kathleen Purdy. An Act for the relief of George William Quibell. An Act for the relief of Frederick Ethelbert Shibley. An Act for the relief of Alfred Percival Selby.

An Act for the relief of Charles Thomas Bolton.

An Act for the relief of Ada Durward. An Act for the relief of Edward James Hogan.

An Act for the relief of Roger Alexander McGill.

An Act for the relief of John Perron.

An Act for the relief of William Albert Everingham.

An Act for the relief of Mary Ella Mackey.

An Act for the relief of Melvin Grant Cowie.

An Act for the relief of Ella May Stacey.

An Act for the relief of Jessie Harriett MacKey.

An Act for the relief of Edna Fox. An Act for the relief of James Jackson.

An Act for the relief of William Frederick Hamilton Strangway.

An Act to amend The Railway Act.

An Act to amend an Act respecting the National Battlefields at Quebec.

An Act to amend the Prisons and Reformatories Act. An Act for carrying into effect a Treaty signed 6th

June, 1924, between His Majesty in respect of Canada and the United States of America, for the suppression

of smuggling operations and for other purposes. An Act to amend the Excise Act.

An Act respecting certain patents of Accounting and Tabulating Machine Corporation.

An Act for the relief of Walter Roderick Lewis.

An Act for the relief of Irene Muriel Corelli.

An Act for the relief of Wilfred Clarence Byron.

An Act for the relief of Jessie Irene Yates.

An Act for the relief of Walter Lewis Hawkins.

An Act for the relief of Lucy Eileen Johnston.

An Act for the relief of Susan Ellen Taunton Love.

An Act for the relief of Caroline Watters.

An Act for the relief of Grace Wilhelmina Harrison.

An Act for the relief of Ethel Foster.

An Act respecting The Canadian Pacific Railway Company.

An Act respecting The Essex Terminal Railway Company.

An Act to incorporate Knights of North America.

An Act respecting a patent owned by the Concrete Surfacing

urfacing Machinery Company. An Act respecting The Calgary and Fernie Railway Company.

An Act for the relief of Mary Ann Tattersall.

An Act for the relief of James Deverell.

An Act for the relief of Anita Allcock.

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An Act for the relief of Edith Smith.

An Act for the relief of Mary Helen Wallace.

An Act for the relief of Wilbert Newell Hurdman.

An Act for the relief of Maude Crawford Ross.

An Act for the relief of William Garfield Reed. An Act for the relief of Bertha Matilda Quinn.

An Act respecting the disposal of the Canteen Funds.

An Act respecting a patent owned by The John E. Russell Company.

An Act respecting a patent owned by The John E. Russell Company.

An Act for the relief of Elizabeth Ethel McSherry.

An Act respecting trade relations with Australia. An Act to amend The Soldiers' Settlement Act, 1919.

An Act to constitute a Board of Audit.

An Act for the relief of certain Creditors of the Home Bank of Canada.

An Act to amend the Pension Act.

An Act to amend The Criminal Code.

An Act respecting Grain. An Act to amend The Dominion Elections Act.

An Act to amend the Civil Service Superannuation Act, 1924.

An Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1925, and the 31st March, 1926.

SPEECH FROM THE THRONE

After which the Right Honourable the Deputy of the Governor General was pleased to close the Fourth Session of the Fourteenth Parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

In bringing to a close the Fourth Session of the Fourteenth Parliament of Canada, I desire to express to you my appreciation of the care and attention given the many important measures which have come before you for consideration.

It is gratifying to observe that the trade of our country is expanding as at no previous period of its history. The favourable balance for the fiscal year ended March 31st exceeded 284 millions of dollars. This expansion will without doubt be further stimulated by the inter-Imperial agreement negotiated with our sister Dominion, Australia, to which approval has just been given, and by the legislation enacted for the purpose of establishing most favoured nation trade relations with Finland and the Netherlands, including the populous and wealthy Islands of the Dutch East Indies.

Delegates from the British West Indies are at present conferring with my Government concerning reciprocal development of trade and the improvement of communications throughout British America.

Canadian trade, via Canadian ports, has been greatly developed under the policy of allowing additional preference upon commodities when imported through Canadian ports from countries enjoying the British Preference. Practically the entire importations of British goods enjoying a preference now enter Canada through Canadian ports. To provide more adequate facilities for our increasing ocean-borne traffic, provision has been made for improving the equipment of our national harbours. A Special Committee of the House of Commons,

A Special Committee of the House of Commons, appointed early in the session to consider a proposal to bring about the lowering of North Atlantic freight rates, has recently reported, confirming the existence of a combine and the necessity for the establishment of an effective control over Ocean Rates. This important subject will continue to engage the attention of my advisers.

of my advisers. The intricate problem of the regulation of railway freight rates throughout Canada has been dealt with in a manner which it is believed will enable the Board of Railway Commissioners to present a rate structure, based upon an equalization of rates as between provinces and localities, that will be fair and just to all parts of Canada, and which should serve further to stimulate both domestic and foreign trade.

A consolidation and revision of the Canada Grain Act has been made, which should prove of direct and substantial benefit to the great agricultural industry of the country.

Rigorous enactments have been passed to aid in the prevention of smuggling and the enforcement of our revenue laws. They have been supplemented by important treaties with the United States respecting the suppression of smuggling, and of traffic in narcoties.

Agreements have also been concluded with the United States for the final demarcation of the international boundary line and the regulation of the level of the Lake of the Woods.

Amendments to the Industrial Disputes Investigation Act, the Soldiers' Settlement Act, and the Dominion Elections Act, have been among other important enactments of the session.

Members of the House of Commons:

I thank you for the provision you have made for the public service.

Honourable Members of the Senate:

Members of the House of Commons:

The numerous evidences of increasing prosperity are now happily supplemented by the prospect of a bountiful harvest. For these and other blessings I humbly join with you in thanksgiving to Divine Providence.

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